Saturday Night

Canada's Magazine of Business and Contemporary Affairs

JULY 6TH 1957 20 CENTS

New Challenge To Domestic Producers In Steel Industry

BY RICHARD L. BROWN

Do We Miss The Boat Or Break The Ice?

BY A. M. MacKENZIE

The Canada Council Can Learn A Lesson

BY DONALD R. GORDON

Vancouver's New Look In Daily Newspapers

BY JACK SCOTT

Dennett

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Getting the Facts

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Jack Scott

Vancouver *Sun's* award-winning writer Jack Scott, whose column is syndicated in 42 newspapers, describes youthful publisher Donald Cromie and the part he played in the unique "marriage" of Vancouver's *Sun* and *Province* newspapers on page 16.

A. M. MacKenzie

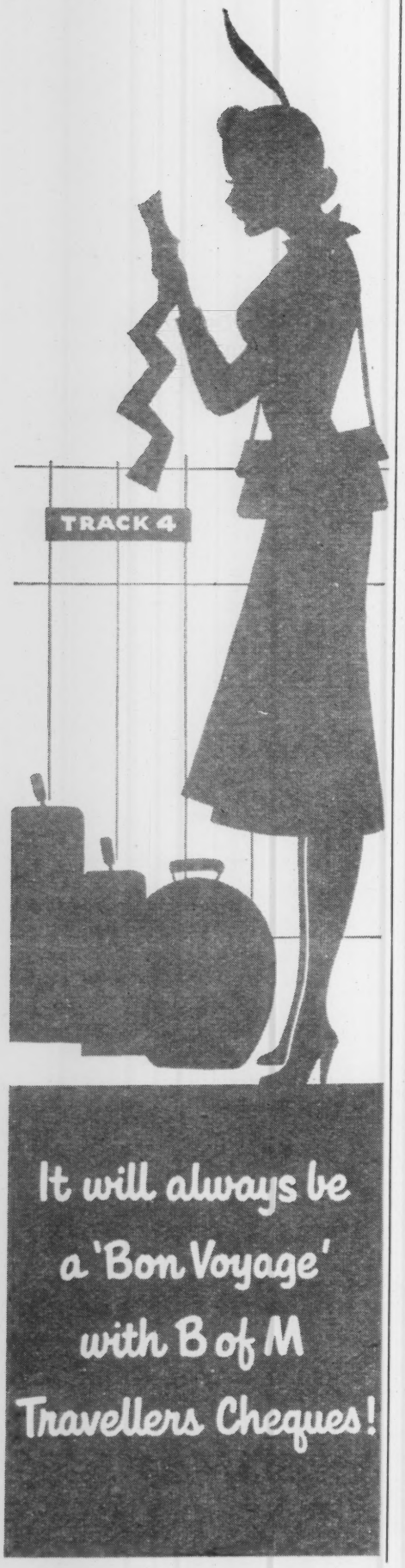
Canadian Press correspondent Arch Mackenzie, who has covered such events as the Queen's Coronation and the World Hockey Championships, writes about the growing economic importance of Canada's over-worked fleet of ice-breakers on page 8.

Donald R. Gordon

Artists and writers have found national support in the bleak land of Iceland. Donald Gordon, recently appointed overseas correspondent for the CBC, gives that country's solution to a problem that has baffled Canadians for over a century on page 12.

William Krehm

Music critic on "CJBC Views the Shows", William Krehm, who also contributes to the Canadian Music Journal gives his frank — and sometimes controversial — opinion of the latest releases in his record column on page 34.



Letters

Thataway

There is always a certain satisfaction for the voter, whatever his politics, in watching a national poll collapse at election time. The spectacle helps to prove that, far from being a low decimal point in a fixed statistical system, he is still an individual, with a voter's special influence and privileges, including the privilege of watching the pollsters fall flat on their faces.

The voter's way is still the wind's way; and the wind can shift direction right up till the last minute.

BRANTFORD, ONT. MARY WILSON

Other Language

"No, I'm the last of the big-time spenders" is a typical Lafleur wisecrack (Stratford's Joy Lafleur). We can only be thankful her utterances on stage will be confined to the products of more imaginative minds. As a first step purge her vocabulary of all its "Darlings".

REGINA A. F. SINCLAIR

Quick Profits

I heartily agree with your advice (Quick Profits for Smart Traders) to "buy 'em when they're cheap and sell 'em when they're dear."

My only question is this: How are we supposed to know when they're cheap and when they're dear?

EDMONTON D. R. BLAKEFIELD

Editor's note: Mr. Baiden replies as follows. The best way is to keep track of daily prices and trading volumes through such techniques as charting. Chart patterns can often indicate when a stock is topping out or when a rise is imminent. Another way, of course (and it's surprisingly accurate) is to sell when you get a hot tip that issue A is a "good buy" and buy after stock A takes a sharp dip.

Jet-Age Design

Those exaggerated fins on the back of this season's cars seem to perform much the same function as the tail on the back of a coonskin cap. Both are there to create illusion. The fins give the motorist the feeling that he is piloting a jet plane, and the coon-tail supports, in the mind of the six-year-old, the fancy that he is Daniel Boone. The rear fins, to be sure, are useful as stabilizers at high speed, say 90 to 150 miles an hour. But anyone who would fancy them for that reason would obviously need a stabilizer himself.

I watched the cars crawling back to the city in one of the recent long Sunday evening processions. Most of them were jet-designed to look as though they were going while they were standing still. They were standing still a good deal of the time, but the drivers, mostly fathers bringing the family back from the cottage, seemed proud and content to creep along in cars that looked as though they were meant to take off for the moon. There's probably a lot of dreaming Walter Mitty in the solidest family man.

TORONTO WILLIAM BLACK

Mental Health

Brian Cahill's article on the incidence of mental illness among immigrants to Canada presents an interesting analysis of a rather thorny problem.

But I wonder if he hasn't neglected a relevant point? What, in percentage terms, is the incidence of mental illness among native Canadians as compared to the incidence of mental illness among immigrants? As nearly as I can make out, Mr. Cahill does not indicate which is higher.

My point is this: If there should be no significant difference as between native Canadians and immigrants, surely the immigration problem is just part of a bigger picture. After all, a suburban housewife can have paranoid disturbances just as intensive as those suffered by a Hungarian immigrant.

BRAMPTON, ONT. MARY HURON

Don't Slam the Door

Rene MacColl, British correspondent in Washington, has recently returned to England, where he fired off the customary bread-and-butter letter to the U.S.A. Mr. MacColl's list of complaints included America's bad cooking, vulgar display of wealth, atrocious clothes, spoiled children and trigger-happy cops. The MacColl outburst will almost certainly be answered by some irate American, who will announce the discovery that English food is inedible, English speech unintelligible, and English plumbing indescribable; that the British people live exclusively on drowned Brussels sprouts, underdone mutton and custard, and that the British matron feels well-dressed in a magenta-colored knit suit.

This type of neighborly back-talk has been going on for more than a century and it is time that visitors on both sides

learned to make a quieter exit. If this is impossible, can't they at least introduce variations in the criticism e.g., that America's spoiled trigger-happy children shoot up the cops, and that the British upper classes practise Druidism?

VICTORIA ROBERT CROOKSHANKS

Quebec View

. . . Quebec's situation and attitude are not generally appreciated and understood by the sister provinces. This is due to the stand taken by its Premier who, proudly Canadian, thinks and legislates in terms of Quebec's welfare and future. As its wealth increases, it enriches the central Government but has no voice in the spending of the billions its taxpayers contribute . . . Excessive centralization is a menace to democracy . . . Quebec is entitled to share in the general prosperity.

MONTREAL BERNARD ROSE

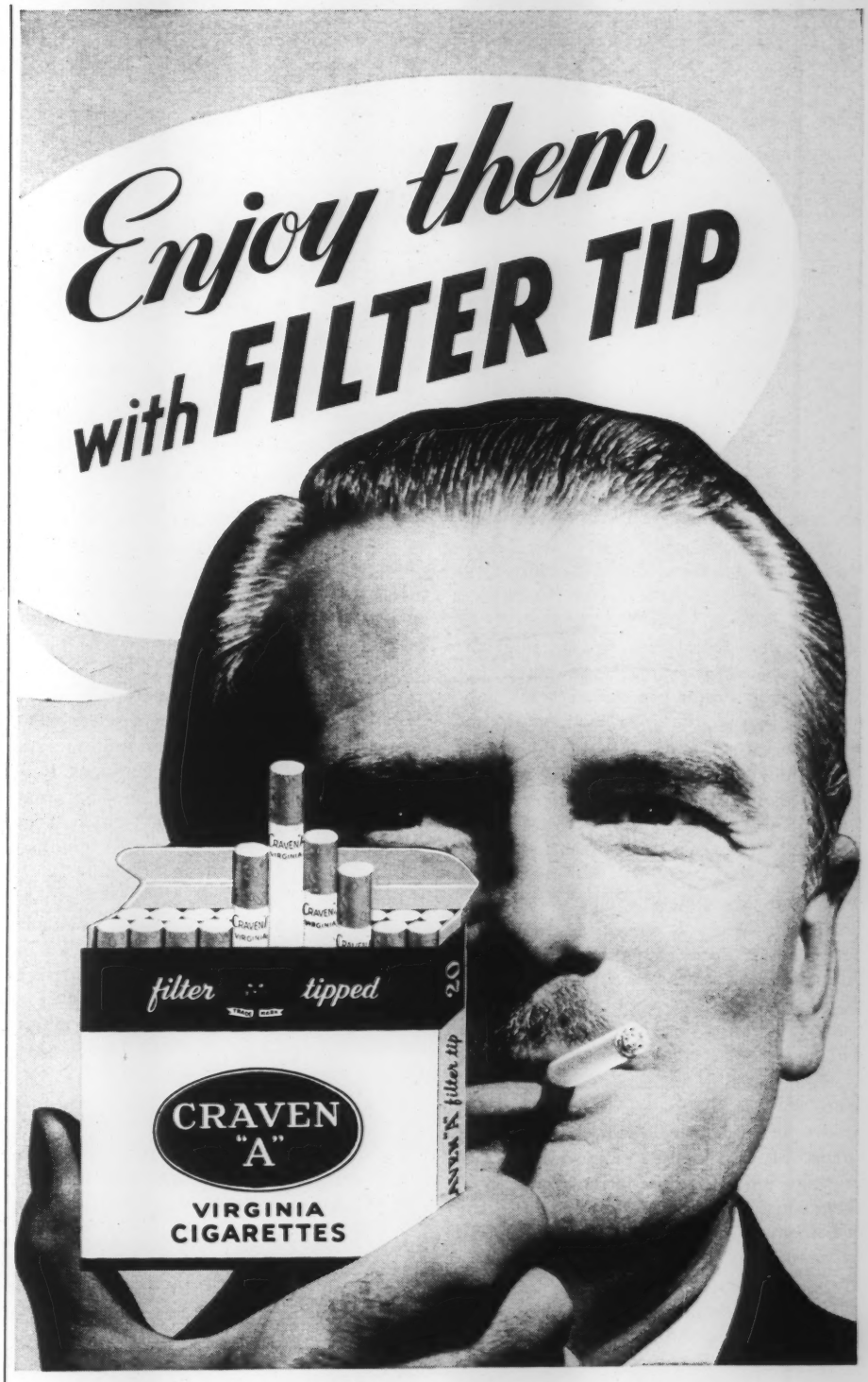
Pensions and Taxes

Mr. Smith's statement in his article on Pension Plans to the effect that "tax will have to be paid in any event" but will be postponed, appears to be slightly misleading since many people may have no taxable income when in receipt of pension benefits.

Further, when a pension falls due, it represents income from an accumulation of deposits and interest or dividends. In the past only the proportion of the pension that represents interest on the accumulation (as distinct from the return of portions of the accumulation) has been taxable. Mr. Smith states that, when the benefits are received under the plan they will be subject to taxation at that time, and implies that, if income after retirement were the same as before, the tax rate would be the same.

CHARLOTTETOWN J. C. SUTHERLAND

Editor's note: Mr. Smith's explanation is, "I pointed out that benefits under an approved pension plan would be subject to a lower rate of tax if the total income after retirement decreased. There could be situations where the income would be low enough so that no tax would be applicable. For example, a single person with income of $80 per month, including pension benefits, will not be required to pay tax. Where a person has made payments into a pension fund that has not been approved under the Income Tax Act, such payments are not allowed as a deduction from income, and accordingly, benefits received under such plans are not taxed on that portion which is deemed to be a return of capital contributions. On the other hand, under an approved plan, payments into a pension fund may be deducted, and benefits received under the plan are included in computing income.



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Ottawa Letter

by John A. Stevenson

New Cabinet Problems

THE ROSTER, not fully completed, of Canada's first Progressive-Conservative Ministry since 1935 contains few surprises. On the whole the 16 Ministers named by Mr. Diefenbaker, whose average age is 54, represent a presentable blend of mellow experience and youthful vigor.

For the moment the new Prime Minister keeps in his own hands the Secretaryship for External Affairs but his permanent retention of it would be unwise. As long as this department was a small organization, earlier Prime Ministers did not find its supervision an unbearable addition to their burdens of leadership. But after we spread a network of diplomatic establishments all over the world and became deeply involved in the international melée, Mackenzie King discovered that the load of the two offices was too heavy and discarded half of it.

Ramsay Macdonald was the last British Prime Minister who tried to be his own Foreign Secretary, and the disastrous failure of this venture was a large factor in bringing his first Ministry to a speedy and humiliating end. Mr. Diefenbaker will find that he cannot simultaneously be a good Prime Minister and a successful Secretary of External Affairs. Also the holder of the latter office has a better chance of securing the support of parties in opposition for his international policies, when he abstains, as Mr. Pearson did, from regular participation in normal parliamentary warfare, from which no Prime Minister can escape.

J. M. Macdonnell, as his party's chief expert on financial problems and its most widely respected senior member, had very strong claims upon the Ministry of Finance, but largely because at the age of 72 his physical strength is waning, they were set aside. The second most important post in the Cabinet was given to Donald Fleming, whose record promises that he will be a diligent and careful steward of the nation's finances. Mr. Macdonnell will have a seat in the Cabinet without portfolio and he may well emulate the career of Sir George Perley, who, as a Minister without portfolio, was one of the most influential figures in Sir Robert Borden's first Cabinet.

Major-General Pearkes, V.C., a gallant soldier, who has been a vigilant critic of the wastefulness of our program of defence, is perfectly tailored to be an excellent Minister of National Defence. His two colleagues from British Columbia, Howard Green and E. Davie Fulton, are each appropriate choices respectively for the Ministries of Public Works and Justice. Mrs. Fairclough, the new Secretary of State, has the distinction of being the first woman to sit in a Canadian Cabinet and Michael Starr, who takes the Department of Labor, as the son of Ukrainian parents, is our first Minister whose blood originates behind the Iron Curtain.

George Hees had thoroughly earned the Ministry of Transport by his tireless work as a propagandist for his party and George Nowlan, now Minister of National Revenue, and William Browne, Minister without portfolio, were, as the senior Tory members from their provinces, national choices to represent them. Colonel A. J. Brooks, of New Brunswick, who becomes Minister of Veteran's Affairs, Colonel Churchill of Manitoba, who takes a key office as Minister of Trade and Commerce and Colonel Harkness of Alberta, who is Minister for Northern Affairs are all three termer educationists with fine war records. Wing-Commander Angus Maclean of Prince Edward Island, who assumes charge of Fisheries, is the baby of the Cabinet and a promising young politician.

Quebec presented Mr. Diefenbaker with his most thorny problem as all save one of his eight supporters from it are parliamentary novices. So for the time being he has only given it two representatives in Leon Balcer (Solicitor-General) and W. M. Hamilton (Postmaster-General). Inevitably, hostile French-Canadian papers see in the allocation of a solitary spokesman to their race fresh proof of Mr. Diefenbaker's supposed animosity to it and, if he is to make any headway in dissipating this prejudice against him, he will have to use some of his vacant portfolios for the enlistment of French-Canadian Ministers of high calibre. When he tackles, on his return from London, the problem of filling the vacancies, he has available a potential Minister of Health in Dr. Vivian (Durham) and, if he does not give the Ministry of Agriculture to the veteran Earl Rowe, he must find for it a farmer or somebody with strong rural connections.

Donald Fleming: The No. 2 post.

One weakness of the new Cabinet is that the selection of five Ministers from the Toronto-Hamilton area, which was unrepresented in both the St. Laurent Ministries, will raise the cry in other provinces that "Hogtown" and its tributaries have been given far too much weight in the councils of the new Government. Moreover it's just possible that the graingrowers of the prairie will not like the idea of having the Canadian Wheat Board under the supervision of a Winnipeg lawyer, as the new Minister of Trade and Commerce is. Then the Irish Catholics will be aggrieved that they have no spokesman in the Cabinet.

When the London *Daily Mirror*, now a Leftist paper with a huge circulation, was started by the late Lord Northcliffe, he advertised it as a paper which would be "written by Gentlewomen for Women" and with this end in view he hired as writers for it a band of titled ladies. But he soon discovered that his highborn dames were incompetent writers and had nothing interesting to say. So he placed the paper in charge of one of his ablest lieutenants, the late Harry Hamilton Fyfe, with instructions to dismiss all the aristocratic amateurs and recruit a trained professional staff. Two weeks later when he asked Fyfe how he had got on with his job, he got the reply, "It was a sad business—just like drowning the kittens of a favorite old cat". Such must must have been the feelings of the numerous Liberals and Independents, when they used their votes on June 10 to punish the St. Laurent Ministry for its sins.

But there is one salient fact that Mr. Diefenbaker, now installed as Prime Minister, ought never to forget. It is that, as long as his party cannot tap for a substantial quota of seats at Ottawa the country's basic reservoir of conservative sentiment, French-Canada, there are simply not enough voters firmly anchored to the Progressive-Conservative party in the English-speaking provinces to produce a parliamentary majority. So he has be-

Howard Green: Holding the fort.

fore him the alternatives of following policies which will keep for him the goodwill of his present Liberal and Independent supporters or devising ways and means of increasing his party's representation from French-Canada. During his campaign he gave a distinct undertaking that in his Cabinet the representation of Quebec, which was five in the late Ministry, would not be diminished and it is hard to see how he can find among the eight Tory members elected for seats in Quebec, five of Ministerial calibre.

Meanwhile the Liberals are trying to find some comfort from the revelation that, with six fewer seats, their percentage of the popular vote, 41 per cent, is higher than the 39 per cent secured by the Progressive-Conservatives and that the vote of the armed forces was in their favor by nearly 3 to 1. But about 40 per cent of the Liberals' popular vote was hived in a single province, Quebec. And, since their quotas from each of five Provinces — Nova Scotia, Prince Edward Island, Manitoba, Alberta and British Columbia — do not exceed two and only add up to a total of six, they have now less claim than their historic opponents to be regarded a party with a nationwide basis.

So the Liberal party emerges from the election in rather an unhappy position because it has been brought back to the situation after the election of 1917 in which it was badly split by the issue of military conscription. Once more about two thirds of its representatives in the House of Commons are either French-Canadians, or dependent on French-Canadian support and the primary problem of the Liberal leaders is to broaden its basis. Apparently Mr. St. Laurent is willing to lead his party in opposition for the first session of the new Parliament. But now that he finds the Toronto *Star,* his former warm eulogist, calling for his speedy retirement, its hostile attitude is bound to stimulate his deep yearning, which he has never concealed, to be quit of political warfare and return to his beloved Quebec City.

Now that Mr. Harris' loss of his seat has eliminated him, the contest for the leadership will probably lie between Mr. Pearson and Mr. Martin. This pair, along with Mr. Sinclair, Mr. Marler and Mr. Pickersgill will be a formidable team of critics on the opposition front bench, but apart from two able young Nova Scotians, T. A. M. Kirk (Shelburne-Yarmouth) and Allan MacEachen (Inverness-Richmond) who have survived the debacle, they cannot hope for much assistance from their English-speaking colleagues. So they must hope that the French-Canadian Liberal members will be more zealous participants in debates than they have been in recent sessions and some promising young politicians from Quebec like Lucian Cardin (Richelieu-Verchères) and Roland Beaudry (Montreal-St James) will now have a chance to prove their mettle.

At least one third of the members of the House of Commons will be new faces and the arrival of some 30 Tory members under the age of 40 should make it a livelier place. But some of the casualties of the election will be generally regretted. Edward Applewhaite, (Skeena) and F. T. Fairey (Victoria) were an excellent pair of Liberals from British Columbia. Hugh Mackenzie (Lambton-Kent), was one of the most widely respected older members and Robert Knight (Saskatoon) a moderate Socialist, was a persistent advocate of educational reform, whom everybody liked.

It is to the credit of Mr. St. Laurent that before dissolution he did not fill the 18 vacancies in the Senate and thus gave his successor a chance to lay the foundations of an adequate opposition in the Upper House. Mr. Diefenbaker will be beset by faithful partisans clamoring that he reward their devotion by a seat in the Senate but he will err grievously if he fills the vacancies in his gift with ancient party warhorses and political "fat cats" who have been generous contributors to his campaign fund. He should take special pains to make good the numerical weakness of his party in the Senate by a high average quality in his appointees. Of course he is entitled to choose men and women with a conservative bias as his nominees but they should all be persons who have achieved distinction in some walk of life, not necessarily politics. He could do worse than follow the excellent British practice of summoning to the Upper Chamber, able civil servants who have retired but could contribute their long experience of the workings of Canada's economy to the pool of Senatorial wisdom. He could also acquire a reputation for fairmindedness and imagination by giving the CCF and the Social Credit party at least one spokesman in the Senate.

The Truth About 'Male Superiority'

"Male superiority" is a myth, says Journal author Joan Morris and she offers a host of sound arguments to back her claim in this scientific, factual, article. Do you know, for instance, which sex is better developed physically at birth? Or whether boys or girls are lost more frequently in miscarriages? Are males really stronger emotionally than females? and which sex is more susceptible to disease? The answers will surprise you — they deal the "male superiority" legend a telling blow.

Gisele Makes The Big Time

Canada's Gisele Mackenzie will have her own TV show this fall — the climax to a long struggle to make the big time in showbusiness. Rejected by the CBC, who didn't renew her contract because her show wasn't popular, she went on to become one of the big names in U.S. television and won a coveted spot on "Your Hit Parade." Now, deluged with offers of marriage from suitors all over the country, she puts her career before everything else — but is she really happy? Writer John Wilcox tells her story with sympathy and understanding.

You Can Learn To Be Compatible

"When I want to go out he wants to stay home. I like fish, he hates it. He complains about the way I run the house and about my family until I'm sick of it. I guess we're just incompatible." This cry is familiar to many a wife or husband. But the condition can be remedied. Consulting psychiatrist J. K. Thomas advises married couples how to make adjustments and learn to be compatible.

What You Don't Know About Colds

Canadians fall prey to 50,000,000 colds every year — about 3 per person. These three colds cost you about $30 in time, money, and decreased efficiency. What does the medical profession know about the common cold? Do "cold shots" help? Are colds caught from drafts, or inadequate clothing? Or are the sniffles brought on by a virus — one that's with us all the time, triggered into action by low resistance, anxiety, weather, or even emotional frustrations? Journal writer Brian Swarbrick gives a few new angles on one of the doctor's biggest bugaboos.

Plus These Features:

HOW TO PLAN FAMILY FUN THIS SUMMER

NEWS ABOUT MEDICINE
by medical writer Lawrence Galton

FLIGHT TO FREEDOM: Part 3
by a Hungarian mother

WHAT YOU SHOULD KNOW ABOUT AIR CONDITIONING

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Saturday Night

STEEL

A New Challenge to Domestic Producers In Canadian Industry

by Richard L. Brown

Plant expansion or increasing imports? Foreign interests are already moving into the picture.

CANADA RANKS as a happy hunting ground for world steelmakers. All post-war expansion efforts by our domestic iron and steel industry have still left Canada as a major steel importer and a lucrative market for steel firms in the U.S. and Europe.

Yet iron and steel are considered major indicators of a nation's industrial strength. This dependency on foreign sources of steel to meet the continued industrial expansion in Canada has often been kicked around as a political football.

The complaint is often expressed that we sell the raw material—iron ore—in increasing quantities to foreign steelmakers who turn around and re-sell to Canada the finished steel products.

This topic is particularly pertinent now with the tremendous expansion

CONTINUED ON PAGE 36

In "d'Iberville" Canada has one icebreaker of world class: a poshly-appointed, 16,000 horsepower battering ram.

Will Canada Break the Ice

by A. M.

Huge Northern investment crippled by strangulation of winter navigation. The problem and current plans.

Dew-line convoy in an icefield. Second big fleet sails this year.

or Miss the Economic Boat?

MacKenzie

CANADA'S EAST COAST ice blockade this spring, the worst in 40 years, underlined one thing about the Transport Department's icebreaker fleet. The jams played hob with marine traffic.

Besides swamping the blunt-prowed floating power plants with work, the blockade lent fresh emphasis to their economic importance. It was another piece of evidence to suggest that Canada could use more of them; that present and future economic development requires them and that expansion plans, as announced, may be inadequate.

In what admittedly were abnormal ice conditions from around Newfoundland to Cape Breton and the Gulf of St. Lawrence, the Transport Department's five icebreakers were hard pressed. The *Edisto,* the American breaker based at Boston, was called in at one point to help out at Corner Brook, Nfld. Even the big ferry *William Carson* pitched in with a display of ice-busting ability not usually associated with its duties.

So much for emergencies. But good reasons or bad, the sturdy trouble-shooters have a full round of routine winter chores without too much leeway in meeting the unexpected.

Quebec's booming North Shore contends that year-round navigation in the inner gulf, which now undergoes a hibernation of about four months annually, is just a matter of more icebreakers. The same reasoning, held by veteran mariners including some icebreaker skippers, is used in regard to the St. Lawrence river itself from Quebec to Montreal.

The whole Northland story seems to shape up as added reason to regard the icebreaker—or lack of them—as a vital economic influence in the next few years and for some time to come.

As a well-iced northern hemisphere country, what sort of icebreaking equipment do we possess?

In the *d'Iberville,* a poshly-appointed battering ram of a boat, Canada has one icebreaker of world class, developing a maximum 16,000 horsepower, launched just a few years ago and capable of tackling just about anything this side of an iceberg either frontally or with its special screws. The *d'Iberville* was the only Canadian icebreaker that wasn't stopped cold and trapped this spring in the East Coast ice—two of her sister ships had it happen more than once—while aiding beleaguered vessels or punching through to besieged ports.

There is the *N. B. McLean* at about 6,000 horsepower—horsepower is considered a more accurate icebreaker rating than tonnage—and the *Saurel* at about 3,000. The *Montcalm,* put in service this last spring, is a harbor-class lightweight while the *Ernest Lapointe* barely escapes the auxiliary-class rating.

In the works, and due for service in two years, is Canada's biggest yet, to cost $10,000,000 for construction and another $2,000,000 for fittings, with a 20,000-mile cruising range, 315 feet long and able to carry up to three helicopters where the *d'Iberville* now operates with one. No other additions have been announced.

The newcomer, virtually doubling the existing fleet's power, will have ample scope to show its class.

The *Saurel* has been handling the East Coast beat

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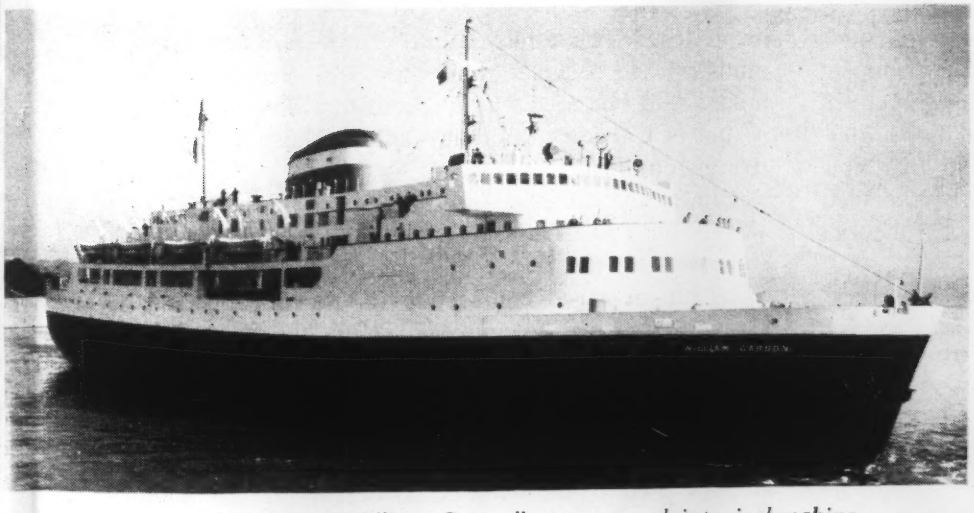
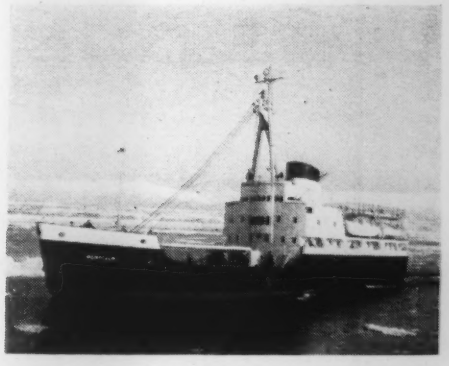
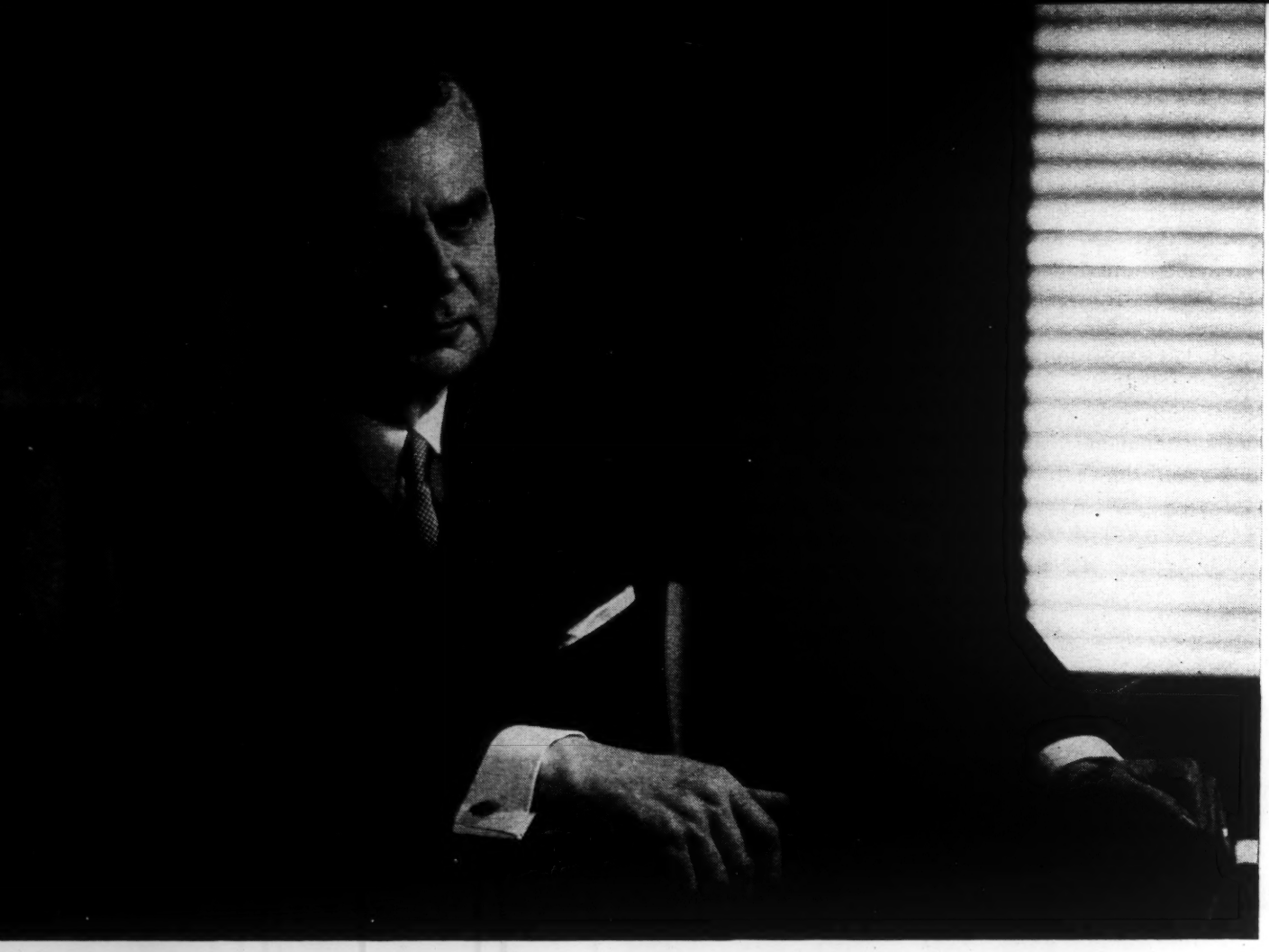


Big ferry "William Carson" was pressed into icebreaking.



New "Montcalm" is combined breaker and buoy-lighthouse service ship.

Breaker "Ernest Lapointe" shared duty of keeping St. Lawrence open.



The Prime Minister: Deeply sensitive to the scope and character of Canadian interests abroad, where new ideas are welcome.

Our New Direction In Foreign Policy

by Maxwell Cohen

STALIN IS REPUTED to have said that however much pride Western democracies have in self-government by the ballot, it was foolish to leave the management of high policy to the accidents of an electoral horse-race. The truth is, however, he never understood that in a democracy the people trust themselves more than their governors and this leads, inevitably, to skeptical theories about indispensability.

The Conservative achievement, though not a "victory" in satisfying percentages or in parliamentary control, nevertheless caught almost every student of Canadian politics sufficiently off balance to prove again that the swings of opinion often elude the grooved thinking of the pundits. All of which leads us to ask whether we should not now begin to examine the kinds of policies that are likely to be followed since Mr. Diefenbaker and his colleagues have moved into chambers where Liberal ministers had begun to think they held permanent leaseholds. And one area where speculation deserves priority is that of Canada's external relations under a Conservative government.

One of the difficulties in making an assessment as to where the Tories will go in foreign policy is that their statements in the House of Commons in the past years have run a jagged course. Up to the time of Gordon Graydon's death, he and Mr. Drew, together with an occasional assist from Mr. Diefenbaker, combined to deal on behalf of the Opposition with Canada's role in world affairs. After Mr. Graydon's death the mantle descended in general on Mr. Diefenbaker, with contributions from Messrs. Fulton and Howard Green, while for military matters there was always the voice of General Pearkes.

What changes can a Conservative Government make? Responsibilities to UN and NATO cannot be abandoned and U.S. problems are greater than ever.

On the whole, in Gordon Graydon's day there matured a general Tory support for Canadian policies at the United Nations—although I can remember a conversation with him many years ago, after he had served on a delegation to the General Assembly, in which he remarked on how isolationist and even anti-United Nations were some of his rural Ontario constituents. But his heart was in the right place, he was an admirer of Mr. Pearson and he added dignity and stubborn common sense to the Conservative appraisal of affairs.

At the same time in George Drew's personality, as well as pervading the Tory tradition as a whole, there was a nostalgic regard for the United Kingdom and the Commonwealth, a lack of ease at the increasingly intimate intertwining of policy and program between Canada and the United States, and an underlying belief in the value of the Ottawa Agreements as part of the remaining structure of the Imperial system.

Mr. Diefenbaker's own development as the party's spokesman on these non-domestic questions began not only with his duties after Graydon's death but also with his visits to the United Nations as an enthusiastic member of the Canadian Delegation and his increasing personal interest in Canada's overseas activities. At the same time it is probably true to say that among the Opposition front benches Mr. Diefenbaker did not have really too much freedom in the evolution of Conservative foreign policy. To begin with there was widespread support among many Conservatives for Mr. Pearson and high respect—except for occasional eruptions of party bile—for the job he was doing as one of the truly significant foreign ministers of our time. More important were the other claims to the development of the Conservative position made by personalities such as Mr. Fulton, Mr. Fleming, Mr. Howard Green, General Pearkes and, of course, Mr. Drew himself. As a result no single mind was at work in the fashioning of Conservative views on foreign affairs comparable to Mr. Pearson on the other side of the House whose colleagues gave him a reasonably free hand short of major national involvement. The effect of this dispersal of thought and competence among several of the leading Conservatives, with respect to foreign policy, doubtless will be felt in the Cabinet that has emerged. Yet it is possible to suggest some of the main lines that a Conservative government is likely to follow and to indicate areas where the haze is too thick with ambiguity to justify prediction.

Lester Pearson: A country's thanks.

First and foremost, the main contours of Canadian foreign policy are not likely to be affected in any fundamental way. By this I mean that the grand pattern of Canada's obligations and affiliations represented by the Commonwealth, relations with the United States, the North Atlantic Treaty Organization, the United Nations, and special commitments in the Middle East and Indo-China, all will remain much as before. It is quite unthinkable that we should alter these courses at a moment in time when so much depends, for all free societies, upon the continuity of maturing ideas and institutions. It is true that in Commonwealth affairs, a Conservative government may be more ready to listen to the Foreign Office and Mr. Selwyn Lloyd, and with a somewhat less skeptical ear, than has characterized Canadian-United Kingdom relations in recent months. But even here realities cannot be replaced by nostalgia. The United Kingdom is no longer the first power with which we deal and while we should aim to preserve all that is good and sound in our relations with her and the Commonwealth, no Conservative minister is likely to dream up novel commitments that would fashion new links in the airy but unbreakable Imperial chain.

As to defence and NATO here the great argument has been the criticisms leveled by General Macklin and General Simonds that we have opted for American strategic air power and Arctic defence doctrines to the disadvantage of a more constructive use of our airpower, manpower and conventional weapons resources. In addition, throughout the election campaign there were broad hints by the Conservatives that something might be done to reduce the total level of expenditures and taxation; and presumably an area lending itself to budget surgery is the 1.7 billion defence expenditure—much of it to support our NATO commitments in Europe. There is no evidence that General Pearkes or Mr. Diefenbaker have thoroughly examined the full implications of any radical change in our NATO policies. And it would be surprising if they did not come under great pressure from the Joint Chiefs of Staff on

CONTINUED ON PAGE 38

The Canada Council Can Learn a Lesson

by Donald R. Gordon

Here is how a small country builds its culture. Some people say that taxes are too high but most Icelanders feel that they get their money's worth.

REYKJAVIK, *Iceland*: There's no debate about any such organization as the Canada Council, not much political concern either, but the 165,000 people of this tiny country have solved the problem of the arts in a way that makes Canada's efforts look pretty weak.

Consider this record: A Nobel Prize-winning author, at least eight others of international rank; more than 60 successful and self-supporting publishing houses; a full-time professional National Theatre playing in Reykjavik and regularly invited to tour Scandinavia; a permanent symphony orchestra, at least 12 artists able to support themselves on local demand and a surprising number of full-time poets, playwrights and sculptors.

It's not because of a protected market. Top-notch European performers and companies, such as the Moscow Ballet, are seen regularly before packed houses in the country. English-language books are available in profusion—often at lower prices than the local products — and conversation in Icelandic homes deals as much with the cultural contributions of Europe and North America as with domestic achievements.

Part of the credit goes to government policy. Roughly 30% of Iceland's annual budget is earmarked for education and cultural pursuits. Fledgling writers, for example, get grants ranging from about $50 to $1,000 to allow them to travel, study or complete university education. The well-established ones get even bigger amounts, such as the $2,000 a year allotment to Nobel Prize winner Halldor Laxness.

"I have been receiving a stipend from the Icelandic state for the last 25 years," Laxness said in an interview. "Most writers get grants as soon as they can supply some proof of professional intent, and of course, an indication of ability as well."

Similarly, funds are made available for artists, musicians and other creative craftsmen. And excellent facilities are provided, such as the new Icelandic National Theatre opened in 1950, and described as one of the best equipped in Northern Europe.

"We build and help as circumstances permit," explained Iceland's president Asgeir Asgeirson. "With the theatre, for instance, we started work in the 1930's, stopped for a while when money ran short, and finally finished it in 1950. Some people say taxes are too high with this sort of assistance, but most Icelanders feel it is worth it."

That brings in the other important factor — tradition. Though it is no richer than that of Canada or the United States, the Icelanders take a far greater pride in their cultural heri-

The first meeting of the Canada Council, formed with a $100,000,000 budget to promote the arts, humanities and social sciences by the late Liberal Government. Can Canada, like Iceland keep it from political concern?

tage. One is constantly reminded of the link with the Vikings and Norsemen — a popular feature in many of the efforts by contemporary writers, poets and sculptors. In tradition, literature stretching back for some 1,000 years is stressed in schools, published in cheap well-designed books and made the subject of regular talks and plays over the Icelandic state radio.

"We were isolated for a long time," said Gunnar Schram, a journalist and historian. "This allowed the first roots of our culture to develop well. Then, with the various invasions and occupations, came the challenge to our survival as a race that kept the pride of culture alive and flourishing."

The nation's arts have been further helped by the fact that Iceland never has had a military tradition. Herdeis Thorvaldsdottir, one of the country's leading young actresses put it this way: "Without heroes of the army or navy, such as the British, French and Germans have, we have found our heroes in the arts. Children grow up wanting to be writers or actors instead of generals or fliers. Your Davy Crockett in North America was about as popular from what we hear, as our Halldor Laxness is here."

For a Canadian visiting Iceland, there is another surprising aspect: Many of the leading Canadian authors and playwrights are better known there than at home. For example, Bruce Hutchinson and Gabrielle Roy were the subject of a recent leading article in the Reykjavik daily newspaper *Morgunbladid*.

"You in Canada are luckier than us in one sense," observed Baldur Georgs, a Reykjavik critic. "Most of your cultural growth seems to lie ahead of you — promising much good excitement in the years to come. We wish you good luck in your search."

Left and above: "We were long isolated. Roots are deep".

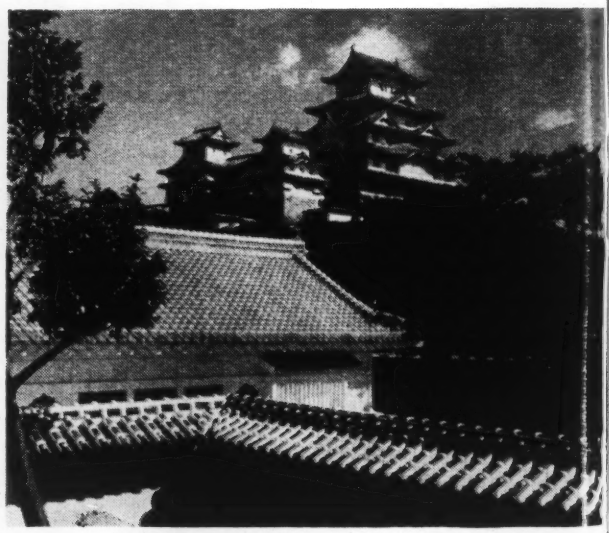
Travel

Thousands of dainty cherry blossoms frame this ornate five-storied pagoda in Uneo Park, Tokyo.

Revered by the Japanese as a sacred mountain, snow-capped Fuji-San has an altitude of 12,397 ft.

JAPAN:

It is not unusual for peasant farmers to work 12 hours a day on their small farms. This couple is busy drying wheat chaff in front of their home.



Himeji Castle, (14th century) near Osaka is noted for its curving roofs, and snow-white walls.

Entrance to main Shrine of Toshogu at Nikko is famous for its intricate, hand-carved decoration.

Giant pros grapple on a ring of sand in Sumo, or Japanese wrestling.

Travel horizons broaden each year. Now Canadians take the Pacific in leisurely hops and an Oriental visit becomes easy.

Nagasaki at night. Oriental beauty is reflected by the Sofukuji Temple, built over 300 years ago.

Oriental grandeur. The "Great Budda" at Kamaura cast in 1252, is 43 feet high and 97 feet wide.

Canada's Pacific Neighbor

JAPAN IS NO LONGER a remote country, veiled in mysticism and untouched by the main currents of the world. Air travel has brought this beautiful land next door; on the oceans luxury liners offer frequent services from all parts of the world.

In Japan, transportation and hotel facilities are of a high standard. Travel in Japan is a matter of perfect safety, ease and comfort, entirely free from restrictions.

Despite the rapid modernization of the past ten years, Japan's scenic splendor and the traditional courtesy of her people remain unchanged. For the seeker of bright local color, there are many historic festivals and pageants, most of which were first observed centuries ago.

How long does it take and how much does it cost to make a trip to Japan? How does a conducted tour compare with private travel?

Air travel has brought Japan within a matter of hours from any part of the world. From Canada, you reach Tokyo in only 38 flying hours from Toronto, covering a distance of 7,100 miles. A number of excellent services are operated by various airlines; from Vancouver—Canadian Pacific Airlines; from Seattle—Northwestern Airlines; from San Francisco and Los Angeles—Japan Airlines and Pan-American Airlines. For a more leisurely trip, trans-pacific passenger liners operated by American President Lines sail from San Francisco; liners operated by Nippon Yusen Kaisha, from Vancouver.

CONTINUED ON PAGE 38

Strict formality in making and serving tea is important to women.

Exotic garden at Heian Shrine at Kyoto enhances this simple but elegant vermilion-lacquered structure.

Donald Cromie: "Merger" Is Never Mentioned

by Jack Scott

For an intense man, he confronts the world with a deceptively bland look, a laconic way of speech.

THE JUNE MARRIAGE between Vancouver's *Sun* and *Province* newspapers to beat the high costs of competitive publishing brought to an end a long and bitter feud. The question was naturally asked, "Who held the shotgun?"

Though both papers stood to profit by pooling their assets (the word "merger" was studiously avoided on both sides) the nuptials were notable as the culmination of the success story of a restless man.

For 41-year-old Donald Cameron Cromie, once styled as the "boy publisher" and "playful maverick" of the coast's newspaper circus, it was a realization of solid achievement marred by the death earlier this year of his younger brother Sam who had closely partnered him in the *Sun's* rise.

With an outright payment of close to four million dollars from the Southam interests as a dowry the *Sun* could claim a book value of more than ten-and-a-half millions. It remains alone in the rich afternoon market with its policies and personality intact under an agreement that gives both papers autonomy while splitting the future spoils down the middle.

While the *Province* management faces-up grimly to the traditionally barren morning field, vacated by Roy Thomson's *Herald*, the *Sun* anticipates a minimum circulation before the year's end of 250,000, challenging Toronto's *Globe and Mail* for fourth position behind the Toronto *Star*, the Montreal *La Presse* and the Toronto *Telegram*, and strengthening its hold behind the *Star* alone in classified advertising lineage.

Even in Vancouver, where the Cromie name has built a legend of irreverent, uninhibited newspapering, "Don" Cromie is a little known figure. It was the ebullient Sam who, until his death at 39 in a freak boating accident last February, represented the paper at the launching of its free swimming and ski classes, at the weighing-in of its annual salmon derby and on the speakers' rostrums. Don's interest in amateur theatre resulted in a year as president of the Dominion Drama Festival, but he is a reticent joiner and a rare speaker. He is better known to what he calls "my pirate friends" at the Vancouver Club or in the locker rooms of the Shaughnessy and Capilano golf clubs (he shoots a scrambling game in the upper 80's) than he is to the public.

Cromie is a lean, wiry, sharp-featured, sophomoric-looking five-foot-ten who claims he keeps his weight at a consistent 160 pounds by concentrated worry. He is a fastidious and often brightly-hued dresser who confronts the world with what is, for an intense man, a deceptively bland appearance and a laconic style of speaking. One of his close friends says, "Don doesn't just listen. He penetrates."

Cromie enjoys a relaxed home life with his wife and four children in an old and gracious 14-room Shaughnessy Heights mansion. He prefers an evening of bridge or low-stakes poker or a week-end with close chums on the *Sun*'s 60-foot cruiser, Tempest IV, to the social whirl. Boating is his main recreation and such diverse visiting firemen as Bing Crosby and the Lord Mayor of London have been his guests on cruises. He spends most evenings at home, listening to light opera on hi-fi or reading late. His office hours are regular, usually beginning shortly after nine, and he is a stickler for punctuality. Two or three times a week he lunches in the *Sun's* cafeteria atop the ancient, ugly tower which houses the paper, where he enjoys an easy-going, first-name relationship with most of his staff.

For all this orderly, well-regulated life he is generally pictured as something of an eccentric and extrovert. Cromie, himself, has wearied of the reminders that he has unnerved distinguished visitors by absent-mindedly working a yo-yo or firing matches across his elegant, mahogany-panelled office from a toy cannon. His biographers have been equally fascinated by a perpetual hunger, assuaged by candy bars, pop-corn, assorted fruits and a fortifying hamburger at home before dining out. The *Sun's* improving position in its war with the *Province* has helped to cool this nervous energy somewhat. *Sun* department heads who have learned to live with his bluntness and a sometimes caustic wit agree that he is mellowing. "Don has finally heard about the soft sell," one observes.

Cromie is most often and most accurately compared with his father, Robert Sr., who acquired the paper in 1917 when the original owners went into bankruptcy. The elder Cromie ran it as a personal instrument for his whims and a lively gift for flamboyant journalism. Of four sons, Don alone seems to have been destined to voluntarily fill the publisher's chair. Though five Cromie families now have a 60 per cent ownership of the paper, Don alone remains actively in the newspaper business.

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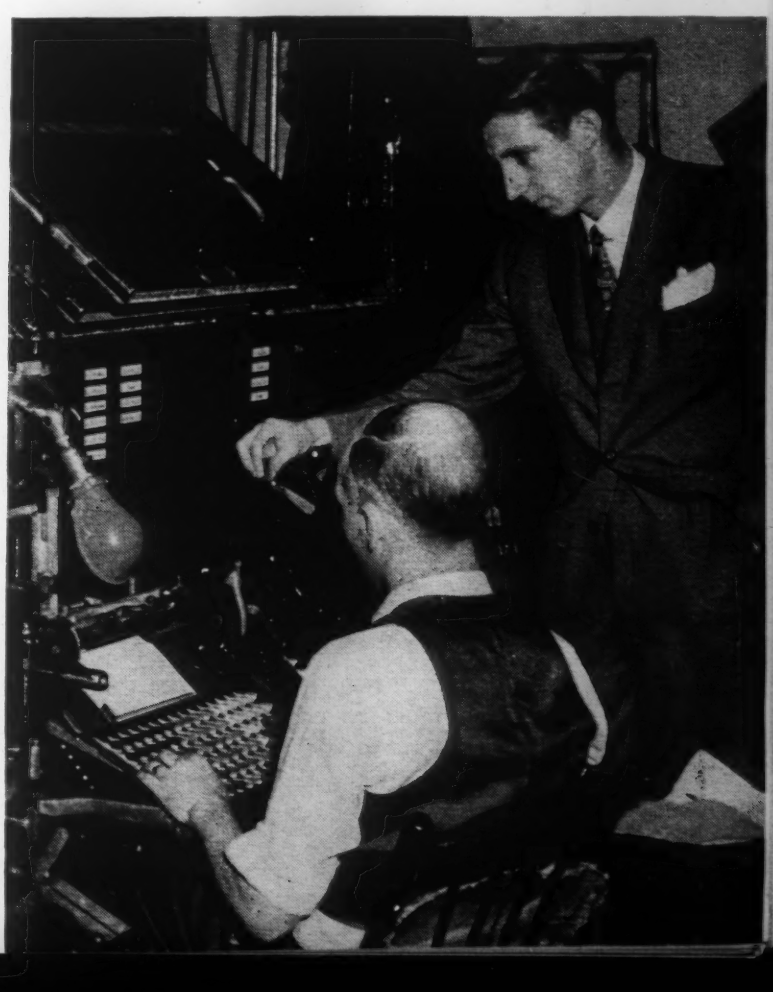
The Cromie name has built the legend of irreverent, uninhibited newspapering. It means profits as well.



His office hours are regular and he is on a first-name basis to most of his employees.

The Growing Trend to Equity Ownership

by J. Ross Oborne

Examining shareholders list: Robert C. Berry, Vice-President and Treasurer, Trans-Canada Pipe Lines Ltd. and Mr. Oborne, Director of Nesbitt, Thomson & Co. Ltd., principal underwriters of the issues.

A broadening of the market for common shares will lead to increased Canadian ownership of Canadian companies.

THE SLEEPING GIANT is awakening but it is only after prolonged ringing of the alarm bell.

Such expressions as the "sleeping giant" and "This is Canada's Century" are quite common to-day. What was not long ago expressed as a hope is now almost a truth.

Canadians are awakening to the possibilities of sharing in their country's growth. Whether the alarm bell has rung too long and not loudly enough remains to be seen. Much work has been done in our early morning by people from other countries. The first fruits have been picked but there are still many blossoms.

It is well known to all of us that foreign investment in Canada since the war has been unbelievably large, and has been responsible for much of our present prosperity. We have welcomed and still welcome such investment. Indeed we would not have gone far in Canada without it.

In a young country, saving is a slow process and many of the necessities must be acquired before surplus is available to use for increased production. Here in Canada many of us have always been savers but, in proportion to the funds needed for our country's development, our savings have been insufficient.

Savings in Canada in past years have been the savings of people pitted against many obstacles. The great problems of climate, distance and the land itself have not been conducive to quick profits and easy fortunes. The savings that have come hard are parted with only after deliberation and with caution.

Caution in investing savings had almost become a national characteristic. It is little wonder that Canadians make the world's finest bankers.

Average Canadian saving has gravitated toward places of safety such as banks and insurance companies whose records of stability are unquestioned. Through the years such institutions have become places for deposit for a large percentage of the savings of the community.

These institutions in turn invest these savings. They do so in accordance with the terms and conditions of Canadian law, so that the maximum protection is given to those who have deposited their funds with them.

For example, banks seldom invest in other than high grade mortgages, high grade bonds and other relatively

CONTINUED ON PAGE 35

Puzzler

by J. A. H. Hunter

"HI, SAL!" cried Sue. "It's Friday. How come you're not working?"

"Just a day off," Sal replied airily, making room for her friend. "Sit down and I'll buy you a coffee."

Sue climbed on to the stool. "So operators make real money these days," she commented.

Sal laughed. "Not me," she said, "but I made forty bucks this week, ten dollars a day and all on piece work. Only three different styles, and I had some of each every day."

"What rates?" asked the other, who worked in the same factory before she married.

Sal took a wage slip from her bag. "Forty - seven, forty - three cents, and twenty - three," she said. "It's funny I did more at the high rate each day than the day before, but the same total every day."

Sue didn't seem impressed by the coincidence, and so they were soon talking of other things. But how many of those blouses had Sal done at the 43¢ rate the previous day? (52)

Answer on Page 40.

Chess

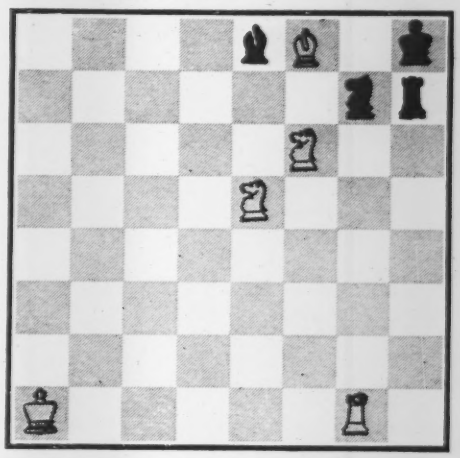
by D. M. LeDain

THE SCEPTRE of chess supremacy changed hands recently when Vassili Smyslov, 36 year old Russian, defeated Mikhail Botvinnik.

The roll of world champions from the beginning of the modern era of chess history: Ruy Lopez (Spain, 1570-1575); Leonardo (Italy, 1575-1587); Greco (Italy, 1622-1634); Philidor (France, 1747-1795); Deschapelles (France, 1815-1820); LaBourdonnais (France, 1820-1840); St. Amant (France, 1840-1843); Staunton (England, 1843-1851); Anderssen (Germany, 1851-1858); Morphy (U.S.A., 1858-1861); Anderssen (Germany, 1862-1866); Steinitz (Austria, 1866-1894); Lasker, Dr. Em. (Germany, 1894-1921); Capablanca (Cuba, 1921-1927); Alekhine (France, 1927-1935); Euwe (Holland, 1935-1937); Alekhine (France, 1937-1946); Vacant (1946-1948); Botvinnik (U.S.S.R., 1948-1957); Smyslov (U.S.S.R., 1957- ?).

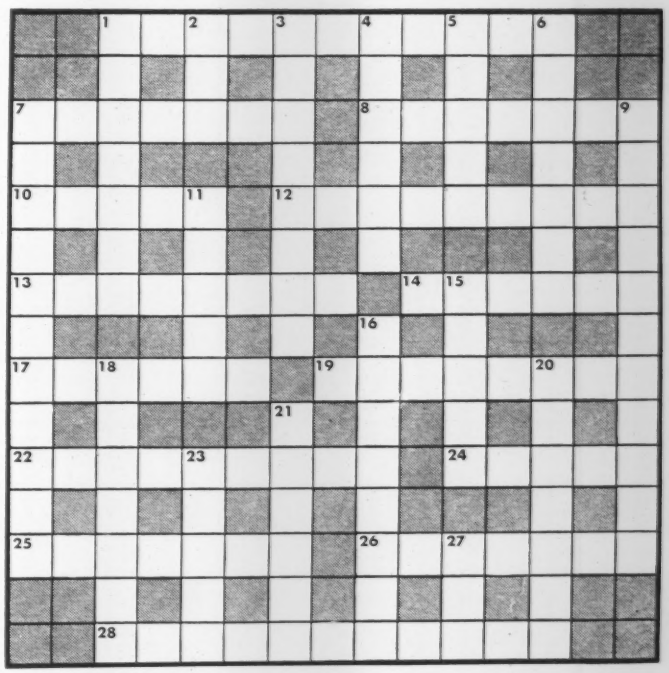
Solution of Problem No. 169 (Morphy). Key, 1.R-R6.

Problem No. 170, by A. Anderssen. White mates in three. (5 + 4)



Start Digging

by Louis and Dorothy Crerar



ACROSS

1 Building implement that vaporizes the poor home? (5-6)
7 Her gift, perhaps, may be shipped by this. (7)
8 Having space to prohibit, possibly it should have been in use during prohibition. (3-4)
10 Warwick was so named, after King. (5)
12 It's not the tot that gives him a hot head. (9)
13 They make their mark by choice. (8)
14 This concealed in warfare, puts chariots to shame. (6)
17 Provide half of Canada with weapons against England. (6)
19 Number pa with one in the heavens. (8)
22 It points the way to the origin of a plant. (9)
24 The time is around 1.50 so look lively! (5)
25 Sure! T.N.T. is to be given in charge with care. (7)
26 Maybe one sweats 'n' swears over some of ours. (7)
28 It seems that lumberjacks' bosses don't hit it off. (11)

DOWN

1 Just the spot for a trout. (7)
2 This is placed in bars for beggars. (3)
3 This 7D had untidy hair after rising at morning. (4, 4)
4 A bath is, if you look at it this way, one of the good ones to get into. (6)
5 This gets the staff on edge. (5)
6 No sleet, perhaps, in "The Winter's Tale". (7)
7 French woman who got plump on drink. (5, 6)
9 They may make light of their work when striking. (11)
11 If you find "Mourning Becomes Electra" tedious, try just a little of it. (5)
15 It's stuck in the throat, but you can't cough it up. (5)
16 It might make one reckless with a high temperature. (4, 4)
18 Military law needs readjustment, but hostilities may not be over! (7)
20 Broilers, when aged, shrink a little, it seems. (7)
21 Carry Nation hit many a one herself. (6)
23 "The Irish Washerwoman" made many a bell-like sound, no doubt. (5)
27 It's spring in the country that sent the 17. (3)

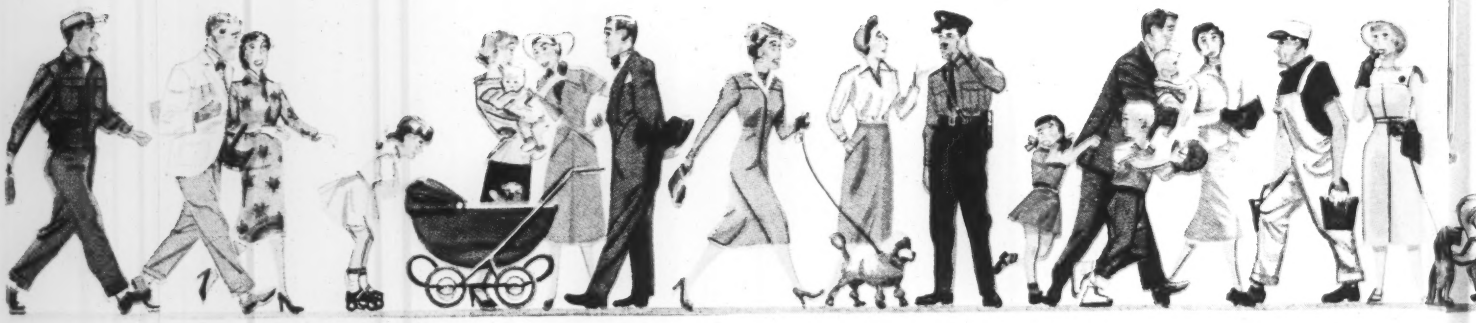
Solution to last puzzle

ACROSS

1 Swift
4, 21, 32. Least said, soonest mended
10, 25. Silent partner
11 See 7
12 Sped
13 Lie
14 Mint
16 Crump
17 Star
18 Eyes
20 Onus
22 Arch
24 See 27
27, 24. So to speak
28 Ill
29 Rats
31 Sure-fire
32 See 4
33 Chattered
34 Prate

DOWN

2 Whispering
3 Freedom
5 Evident
6 Sagamore
7, 11. Silence is golden
8 Ilex
9 Still
15 Department
19 Caroline
21 See 4
23 Chinese
25 See 10
26 Clams
30 Hush (419)



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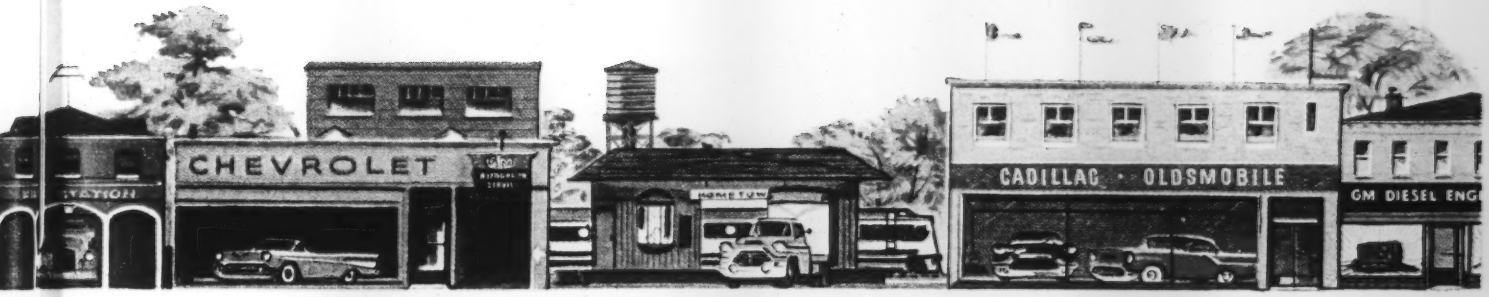
This gigantic shopper is General Motors . . . the shopping list is for materials and services needed to build GM's many products. All across the country, employees in 5,000 supplier plants, professional men and women, and thousands of other Canadians are profiting from GM's $1,800,000 spending each working day—and remember, that doesn't include GM's annual payroll of over $84,000,000.

The money these GM suppliers receive is spent in almost every store and office on every main street. It means more business and more buying power for you! General Motors spends this money because so many Canadians recognize the better value in every GM product. This value is represented not only in the finer materials, but also in the superior craftsmanship, styling and quality which give these products an unrivalled demand among Canadians.

GENERAL

GROWING

MAIN STREETS



Because of this, GM can manufacture products in Canada in greater quantity and at reduced costs, offering you *more* for your money.

By constantly seeking out new Canadian sources for the things it takes to build its cars and trucks, its appliances, Diesel locomotives, and many other products, General Motors plays an important part in bringing progress and prosperity to *your* main street. Next time you shop on main street, take a look around you.

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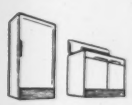
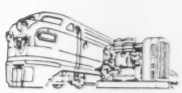


FRIGIDAIRE PRODUCTS OF CANADA
LIMITED
LEASIDE AND SCARBOROUGH



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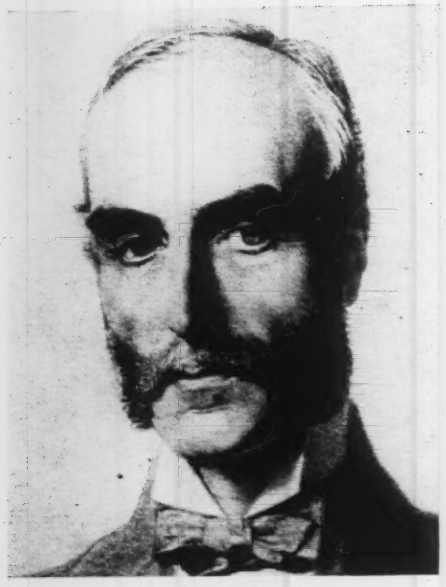
WITH CANADA

Books

by Arnold Edinborough

A Liberal Eccentric

For his views, now the core of the Commonwealth idea, he was forced to withdraw from accepting an honorary degree at the University of Toronto and was vilified.



Goldwin Smith

JOURNALISM'S heyday was the last half of the nineteenth century. When else could a journal hope to have such people as John Morley, Thomas Carlyle, Charles Dickens or the Marquess of Salisbury as contributors? When could a fortnightly review start so auspiciously as to have a chapter of Bagehot's *English Constitution* as its first leading article? When else was journalism so serious?

The political discussions in the *Edinburgh Review*, which was Whig, the *Westminster Review*, which was Radical (and had George Eliot and Herbert Spencer as contributors) and in the *Quarterly Review*, which was Conservative, represented the best political thinking of the day. The daily newspapers reflected the intellectual concern of the quarterlies and fortnightlies and had equally distinguished writers on their editorial pages. To be a journalist in the nineteenth century was to be a man who was vitally concerned with the great issues of the day. Thoughtful comment was more important than up-to-the-minute news.

Amongst all these journalists, Goldwin Smith was a name which stood high. In a new biography of him, Elisabeth Wallace tries to put him back on his former pedestal whence the neglect of this generation has toppled him.

A man of substance who inherited a sizeable fortune from his father, Goldwin Smith could have been a Cabinet minister, head of an Oxford College or a diplomat.

He was eagerly sought out, in fact, for such posts both in England and in Canada. But Goldwin Smith preferred to live quietly in Canada and to lecture occasionally rather than follow these paths which his merit and money laid open to him.

His brilliance was first noted at Eton, which he left having won the top medal in classics. At Oxford, he obtained a first class in the Humanities and won open prizes in Latin, Greek and English.

While at Oxford, though, he made it clear that he did not like the heavy hand of religion which pressed on those dreaming spires, and his opposition to the clerical influence led him to write copiously about it. He was, therefore, later appointed Joint Secretary of the 1850-52 commission of inquiry into the state of the university.

The recommendations of this Commission resulted in the secularization of the older universities. As he put it, he "restored Oxford from the Church of England to the nation".

Having thus made the university a place where his principles would not be offended by his accepting a position, he was made Regius Professor of Modern History and, as such, exercised a liberal influence over a generation of Oxford undergraduates until he resigned to look after his sick father.

From his father's death bed he went to Cornell for its first session; from Cornell he came to Toronto where he married and settled down to writing rather than talking. He liked university work, but he was convinced that journalism could offer him more scope in influencing the world than courses in a classroom.

The bulk of his writing is fugitive. It consists of letters to the editors of leading journals in Canada, the United States and England. Much of it was written (over a pseudonym) to those journals where he thought it would do the most good. When he found he could not get a hearing because his views were so diametrically opposed to the journals to which he sent his letters, he would found one, as he did *The Bystander* (1880) and *The Week* (1883).

Miss Elisabeth Wallace has done us a service by routing out all this material from the files of several libraries. For it would be hard to imagine a more lively, cranky and independent mind than Goldwin Smith's.

Take his views on education. He disagreed with the tendency in the new world to make universities less a place of mental discipline than a repository of various kinds of knowledge "to which the student may come, choose his own department according to his inclination or destination in life, receive a certificate of proficiency in that special subject and go his way". He saw that under a system where boards of trustees consisted of successful rather than educated men, buildings would often be easier to come by than brains. In a phrase which should be the motto of every university campaigner of 1957, he said: "Better a splendid and complete faculty in a barn than an insufficient faculty in a palace".

In politics his views were liberal to the point of eccentricity. He saw the need for popular representation, but he feared the illiterate multitude in control of government. He saw too, the dangers of a government of which more and more was demanded by a populace looking for security rather than intelligent leadership.

A Socialist, he yet realized that Socialism "would actually . . . be a revival of Slavery, since each man in the army of workers would be compelled to render absolute obedience" to the state. Pondering on the fact "that in some quarters (government) is encouraged to become the universal educator, sanitary guide, purveyor of literature and provider of amusements for people", he prophesied that society might be doomed "after eman-

cipating itself by centuries of struggling and suffering from the tyranny of monarchs . . . to fall under the same searching tyranny of crotcheteers".

For his views on the Empire, he was attacked on all sides. He reckoned that the only kind of empire worth anything was that which could be achieved by example, a spread of democratic institutions and teachings. He foresaw that Britain would be greatest not when it controlled from Whitehall an enormous agglomeration of territories, but when a group of nations secure in their own self-government, looked to London for moral and economic leadership. Domination of man's mind was far more important to Goldwin Smith than the domination of huge tracts of land.

Mr. Edinborough, who is Editor of the Kingston "Whig-Standard," will write the leading reviews during Robertson Davies' absence on holiday.

For his views, now the core of the Commonwealth idea, he was forced to withdraw from accepting an honorary degree at the University of Toronto and was publicly vilified.

But Goldwin Smith, though he never sought a quarrel, being in, neither gave nor expected a quarter. His epitaph might well be taken from a letter he wrote to a friend late in life: "I shall leave the world — political, social and theological — in a considerable ferment and I hardly know whether to rejoice that I shall be out of the fray or grieve I shall miss the fun".

Miss Wallace deals with her mercurial subject with a somewhat heavy hand. She separates his life from his thoughts, making the first of the book a chronicle of his doings and the second two-thirds a catalogue of his ideas under subject headings. This may be necessary to impose

Smith, aged 18, at Eton.

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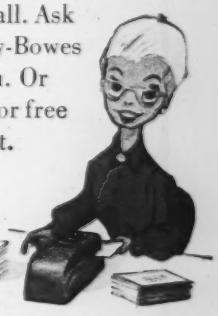

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some unity on an account of such a many-sided man, but it leads to repetition in the first section and leaves us asking for more in the second.

Miss Wallace has herself a nice turn of phrase, but since she proclaims that Goldwin Smith was the greatest prose stylist Canada has ever known it would have been pleasant to have more of him and less of her. This particularly since many of his ideas she merely abstracts or digests from his writings, an operation which takes the stylistic fire out of them and leaves only the volcanic ash. But if, as a result, her book sends readers back to the works of Smith himself, no-one will be more pleased, I would think, than Miss Wallace.

Goldwin Smith, Victorian Liberal, by Elisabeth Wallace—pp. 297 with illustrations and a somewhat inadequate index—*University of Toronto Press—$5.00.*

For Sunday Painters

From Renoir to Picasso: Artists I Have Known — by Michel Georges-Michel, translated by Dorothy and Randolph Weaver, with illustrations by or of the artists — pp. 282 — *Doubleday — $4.25*

THE SUB-TITLE is the true title. What gossip could be choicer or racier than off-the-cuff notes on the jungle of modern art, collected for decades and recollected in tranquility?

The artists' artists and their companions make this book, from Soutine who habitually starved himself before a chunk of ripe raw meat in order to paint it more sensually, to the knock-down, drag-out fight between Modigliani and Utrillo because each wanted to prove the other the world's greatest painter; from Lautrec's model "La Goulue" who sold his *Moulin Rouge* canvases for lion-feed, to Picabia with his stable of ten Fords. Some are touching in their innocence and poverty; almost all are enviable for their freedom of expression.

Michel Georges-Michel
From the sketch by Picasso.

G. K. Chesterton
From the jacket design.

This Paris-centred gossip concerning the most explosive period in French art gathers speed from a slow start until it reaches a racing climax in impressions of the impact made on Paris by Diaghilev's Russian Ballet, in the fantastic stories about Henry DeGroux, and the malicious bias against American art-collectors. It should be prescribed reading for Sunday painters and ladies who join art societies. M. A. H.

The Lovable Man

G. K. Chesterton, an Anthology selected by D. B. Wyndham Lewis—pp. 235—*Oxford—$1.50.*

LIKE MANY ANOTHER notable man of letters, Chesterton's reputation suffered a sudden slump after his death in 1936, and now, twenty years later, it is high time we took another serious look at him.

This welcome addition to the World's Classics will be of assistance. Not every reader will be won to the extreme of admiration represented by his disciple, D. B. Wyndham Lewis, who writes an affectionate but not a critical preface. But that is one of the difficulties about Chesterton; nobody who knew him can think of him critically, for he was apparently a most lovable man; even Shaw's keen edge was blunted by Chesterton's wonderful humility and goodness. But it is time that we stopped repeating the hallowed nonsense—such as that *Magic* is a good play—and got down to the business of seeing Chesterton as a writer and thinker of great qualities within particular bounds. His fame is safe, but it needs definition. S. M.

Mild Ditherers

Heaven and Hardpan Farm, by Nancy Hale—pp. 235—*Saunders—$4.75.*

ALTHOUGH THE publishers appear to regard this as a humorous book, it will not be everybody's fun. Hardpan Farm is a private and expensive sanatorium for mildly disturbed personalities; its dominating spirit is the Doctor, whose goodwill and guidance are all in all to the eight neurotic women who are his patients; when the Doctor falls ill (of pneumonia) it seems that their world might collapse.

Although the author brings great skill and discretion to her theme, it is one which defies truly successful treatment in the mode which she has chosen; it is, of course, unthinkable in our time to make real fun of the mentally ill—even of such mild ditherers as these—and certainly there is nothing tragic about them. And so the book, for all its acuteness of perception, never seems to know what line to take. It was unquestionably more effective in the form of single magazine sketches, in which it was first published.

B.E.N.

Man of Integrity

Pnin, by Vladimir Nabokov — pp. 191 — *Doubleday—$4.00.*

THIS SUPERBLY WRITTEN book is described as a novel, and at first we are inclined to dispute the description. But when we have finished it we see that it is indeed a novel, and an extraordinarily compact and skillful one, for in a series of what appear to be dissociated comic sketches we are given a portrait in depth of a very sad man.

Professor Timofey Pavlovich Pnin is a Russian emigre, trained in the traditions of the pre-Revolutionary intelligentsia, who is attached to the German Department of Waindell College. He is curiously unfitted for the American academic world, and he is a favourite butt of the smatterers and climbers who are to be found among his colleagues. But for all his ineptitudes and maddening idiosyncracies, Pnin is a man of integrity and high ideals; those who think him a fool thereby pass a heavy judgment upon themselves.

Vladimir Nabokov, like Conrad, writes English better than all but a handful of his English-speaking contemporaries. With the lightest and most discreet of touches, he indicates the relationship of the narrator of his story with Pnin himself, and it is only in the last few pages that we understand the true nature of Pnin's personal predicament. He is what we may call The Predestined, Permanent Cuckold. Within the comic shell there is a constancy and nobility which commands admiration. Elegant, distinguished and profound, this is certainly one of the major novels of the summer season. S.M.

The Lively Arts

by Mary Lowrey Ross

Interviews: TV Technique

FEW PRESS or screen interviews with prominent individuals are entirely unrehearsed. However spontaneous they may appear, some rehearsal has already taken place, if only in the head of the person being interviewed. As a rule, he knows exactly how he wants to present himself, and the pattern seldom varies: the active and exemplary past, the confident present, the satisfactory future. Perhaps that is why most interviews are a little dull.

If the subject under interview is a controversial, as well as a prominent figure, the interest tends to pick up. Even here, however, questions and answers are likely to be guarded, and the public façade remains undisturbed. There was, for instance, the "Tabloid" interview with Miss Sally Rand some time ago. Miss Rand, a neat housewifely figure with her hair in a bun, sat on a straight-backed chair and courteously answered questions about the life, triumphs and problems of the artist. Through most of the interview, there was a careful avoidance of the special problem of the artist whose performance is likely to be interrupted by the arrival of the police van. When interviewer Joyce Davidson finally worked round to the subject, Miss Rand dismissed it, with distant dignity, as "the legal aspect of criticism". There seemed to be oddly little relationship between the Miss Rand of the interview and the Sally Rand who worked with a bubble or a fan.

The only resemblance between the Sally Rand interview and the press meeting with Mr. Nikita Khrushchev ("Face the Nation") was that neither subject seemed to bear the slightest resemblance to one's preconceptions. Mr. Khrushchev didn't roar, clown, denounce, or thump the table. He said nothing that hadn't been said before, and he said it very quietly. If there were asperities in the original, the translator went over them like an eraser, removing, with his even gentle voice, any offence that might have been taken to the occasional reference to America's iron curtain and slave population. Throughout the interview he remained patient and polite, the perfect picture, in his good gray suit, of the respectable world citizen.

Toward the end one of the interviewers showed some sign of emotion; but not Mr. Khrushchev. When a reporter asked him, with a faint tremor of indignation in his voice, if he really believed Hungary would retain a Communist Government if the Soviet forces were withdrawn, Mr. Khrushchev replied, without a sign of a tremor in his, that he did, indeed, believe exactly that.

It was impossible to tell whether the Khrushchev statements represented opinion or policy. They may have been unrehearsed, but they were far from being unprepared. The program took us right inside the walls of the Kremlin, and this, at least, was unprecedented. It didn't take us very far inside the mind of Mr. Khrushchev.

The most successful practitioner of the polite interview is, of course, Edward Murrow. The Murrow approach is intimate yet unintrusive, and Murrow subjects are similarly encouraged to present themselves as flatteringly as possible. They are invariably people who represent dynamic success or romantic legend —frequently both—and they obviously enjoy talking about themselves. Until Mike Wallace came along, it hadn't occurred to anyone that people who had led reprehensible or disorderly lives might enjoy talking about them too.

The Wallace approach is to knock the polite interview right out of its conventional frame. While the results are often stimulating, the knock-down-and-dragout

Mr. Wallace: "The knock-down dragout".

Miss Rand: "Legal aspect of criticism".

method doesn't alter the essential character of the interview. Whatever the approach, the subject continues to present himself in what he regards as his own best light. The difficulty, under the more informal circumstances, is that the interview tends to get out of hand.

In the now-famous Micky Cohen interview, the Los Angeles ex-racketeer described himself as the victim of a "sadistic degenerate" in the police department. This might have been acceptable in a program that flourishes on shock-values, but unfortunately Mickey went on to name names. The results were profound apologies, followed by libel suits. ("Mummy, look at that damned thing!" cried little Ethel, pointing to the cassowary in the zoo. "Haven't I told you *never* to point?" Mummy said severely.)

In the case of Earl Browder, the goading approach simply failed to work. Ex-Communist Browder, who acted as secretary to the American Communist Party for fifteen years, learned long ago how to present himself to the public in exactly his own terms. If the public failed to approve the terms, he could only indicate wearily that they were perfectly satisfactory to himself. He was thus able to present a mild impenetrability to all the Wallace shafts and innuendos.

Didn't he feel that in his long tenure of the Communist secretaryship he had betrayed the American people? He had always regarded himself as the friend of the American people. Wasn't he now living on the security allowance provided by a system he had attacked? He was, and he acknowledged it with the air of a man who knows how to be abased and how to abound, even on a government security allowance. Didn't he feel the American people had a right to regard him with less than affection? He mildly acknowledged their right, as part of the program of human rights he had always defended. He gave a splendid performance.

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Gold & Dross

Smelters background factors — Why stocks are listed — An eye on gold — Rights across the border — Trimming the Frobisher sails.

Giant Yellowknife

How is Giant Yellowknife looking? — C. V., Windsor.

The performance of Giant Yellowknife is living up to what its name implies. The property is a giant in every respect — acreage, ore reserves, grade and earnings. Production is up in the current fiscal year but the lower price of gold tends to offset this. The lower price of gold is, of course, a reflection of the discount on U.S. currency. A 5% discount reduces the price of gold in Canadian funds, in which Giant pays its wages and buys its supplies, from $35 an ounce to $33.25.

The company is entitled to receive cost aid of $53,000 from the federal government for the three months to Mar. 31, 1957, although it did not invoke this aid in the previous six months, the first half of its fiscal year.

The outlook for the gold industry continues to be obscure but this doesn't mean the investor shouldn't watch the gold stocks for a dip during which strong companies with lots of ore and good profit margins can be picked up.

Smelters

How do you feel about Cons. Smelters now that the rug has been pulled out from under the price of lead and zinc? — K. A., Kingston.

Smelters is still to be regarded as an attractive speculation for the buyer with patience and risk-taking ability. While many were surprised at the proportions of the decline in lead and zinc, it is worthy of note that the company is maintaining dividends on a relatively good basis. It recently declared 40 cents a share plus 35 cents extra payable July 15. It had for the first half year paid 85 cents so its indicated total for the two half-year periods combined is $1.60 a share versus $1.75 for the calendar year of 1956.

The way in which Smelters has held its ground in the market reflects the company's dividend-paying ability plus its position in the metal world. In a metal-making enterprise too much attention cannot be paid to possession of ore resources to sustain operations. Smelters is no grass-root affair but has at the Sullivan mine in British Columbia ore reserves indicated as lasting for many years. And beyond this it has in the Pine Point property at Great Slave Lake what is reported to be the world's largest lead-zinc deposit. This lacks only rail facilities to promote it into the economic category and, while these are not likely to be provided in the near future, Pine Point is an ace in the hole for Smelters.

The emphasis in Canadian resource-development reporting has been on mining activities and the investing public has largely overlooked the inferences of companies making metals as contrasted with those merely mining ores. It is, however, significant that metal-making stocks made some large gains in recent times as a result of the companies increasing their ore reserves substantially through new discoveries. For example, International Nickel went places on the market on the strength of its decision to go ahead with its $175 millions development in northern Manitoba. This development had an impact on the financial community which does not appear to have been lessened by the possibility of nickel being in over-supply in a few years.

In the case of Smelters favorable background factors, which could help the situation marketwise, include control of the company being vested in Canadian Pacific Railway. This lessens the floating supply of stock and makes it harder to buy, hence easier to advance when it is in demand.

Brunswick Mining

What is the status of Brunswick Mining & Smelting? — G. J., Edmonton.

Brunswick hopes to be in production by the spring of 1960, or earlier, at its mixed-metal mine in New Brunswick. The production unit will have a milling capacity of 2,000 tons daily in addition to a lead smelter and an associated sulphuric-acid plant. The overall plant design will be such as to permit later expansion.

Since the company will, as a new producer, enjoy a 3½-year period of exemption from federal corporate income taxes,

operating profits and net profits will be the same thing. Costs are expected to be low and of course, reflect the type of financing undertaken to bring the property to production. Bonds will probably be issued. Financial needs are estimated at $25 million with St. Joseph Lead being committed to take down another $4 million bonds under its undertaking for $7.5 million.

The property contains a substantial ore deposit upon which recovery tests have indicated the probability of extracting 85% for zinc, 75% for lead and 50% for copper.

An enterprise of the magnitude of Brunswick would be a major beneficiary of improved prices for lead and zinc, for which those in the industry are hopeful. Strong growth trends for these metals were indicated in the Paley report but the industry has been burdened with uncertainty as a result of curtailment of the U.S. stockpiling program. The metals have dropped to levels below the cost of production for much tonnage. Some operators can be expected to take to the hills and this will improve the situation for the big, low-cost producers.

Listed Stocks

Looking over a list of companies whose stocks are dealt over-the-counter, I am starting to wonder why companies list their stocks. The names of the unlisted ones include some very good concerns, some of whom are big British outfits. Why does a company list its stock anyway? — H. D., Winnipeg.

Broadly speaking, there are two classes of listings: those for which a company has applied and those which exist by tolerance. The latter type of listing does not impose obligations on a company like the regular listing and is not encouraged by the leading Canadian exchanges.

Many good firms do not see fit to have their stocks listed. In the case of the British firms, these are presumably listed in London and the unlisted price in this country is based on the London price.

In the modern age, listing is undertaken by most companies so their shareholders can enjoy the benefit of an open-auction market in which to buy or sell stock, also to help a company's financial relations.

Most companies which aim to increase their share of the Gross National Product need infusions of new capital from time to time to undertake expansion. If this capital is raised by loans, the added credit rating a listed company may enjoy can result in bonds or debentures being issued at the most favorable interest rates. If the capital is raised by insurance of stocks, then the price at which they can be sold is important to the company. Consequently, it can be a function of corporate management to see that the com-

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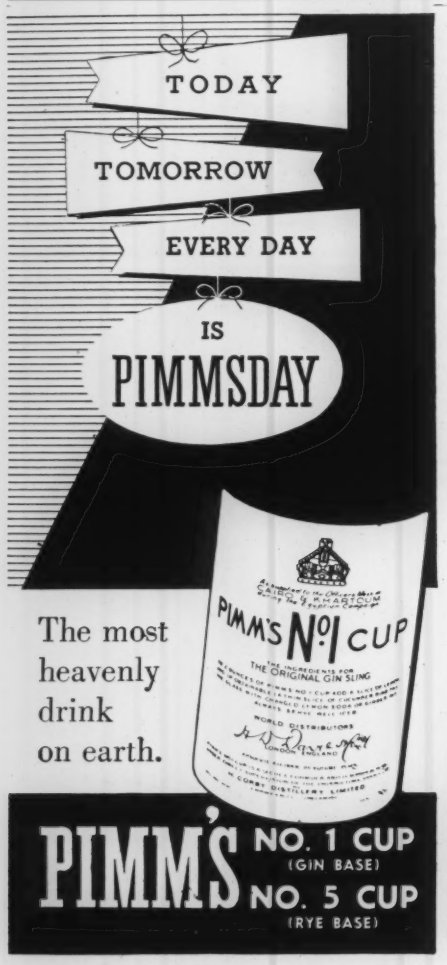

pany's equities command as good a price as possible on security markets. Listing helps this objective because of the publicity a listed company enjoys and because of the generally greater following for listed stocks.

Listing obviously does not increase the intrinsic value of a stock but the great appeal of listed stocks to investors is understandable if for no other reason than the open-auction market the stocks enjoy. Listed companies generally give their shareholders more information than unlisted companies.

Frobisher

Any reason for the dip in Frobisher stock and debentures? — L. T., London, Ont.

One reason could be the extent of Frobisher's interests in Africa. The Canadian mining-stock owner appears to be allergic to speculating in stocks representing foreign properties. He appears to be willing to put a higher value on a domestic mining operation than on a foreign one. This is not strange considering the element of sentiment in stock prices.

Another reason for Frobisher falling into disfavor market-wise is the extended nature of its position. Some consolidation may be expected, however, now that McIntyre has entered the Ventures picture. A subsidiary of Ventures, Frobisher takes its name from the explorer, Martin Frobisher, who sailed into Hudson Bay a few hundred years ago. It looks now as though McIntyre will trim the Frobisher sails.

Across the Border

I am a shareholder of a Canadian corporation whose stock is listed on the Toronto Stock Exchange. This company is granting the right to shareholders to subscribe to new stock at a price under the market for already-issued stock but is not offering this right to American stockholders. This discrimination against the U.S. shareholder is not calculated to foster amity between the two countries. Nor does it seem to be in the spirit of the old-school tie. Can you talk the offending Canadian company out of that one? — M. H., Louisville, Ky.

There is only one reason a Canadian company would not offer subscription rights to its American shareholders and that is because the company is not registered with the SEC in Washington. Consequently, the company's officers would—if they offered the stock—be subject to prosecution in the U.S. Most company officials from Canada like to take a winter junket to Miami without being tapped on the shoulder by an agent of the FBI.

But all is not lost. Even though you can't subscribe to the stock, you can still sell your rights. Say the stock is selling

at $30 and the subscription rights are at $25 on the basis of one for five. This means the right attached to each share now issued is worth $1 a share. If you own 100 shares you can realize $100.

There's more than one way to skin a cat and there's another way you can deal with these rights and get new stock without Uncle Sam's laws being broken.

Again suppose you hold 100 shares, the 100 rights of which entitle you to subscribe to 20 shares at $25, a total of $500. Here's what you do: Sell the 100 rights at $1 and buy 20 shares of stock at $30. You take in $100 and pay out $600. In other words you pay $500 for 20 shares just the same as if you subscribed directly from the company. You will, of course, have to add commissions on selling rights and buying stock to your cost. These commissions won't amount to more than a few dollars but this isn't much to pay for the sake of averting an international crisis.

And don't forget that the U.S., not Canada, passed the Securities and Exchange Act, which the SEC administers.

Con. Sudbury Basin

Would you care to express an opinion on the market possibilities of Consolidated Sudbury Basin Mines which the daily paper said would soon come into production?—J.M., London, Ont.

Only a seventh son of a seventh son would attempt to predict what market valuation the public will put on any company. An opinion might, however, be offered that Cons. Sudbury appears to be selling for every cent it is worth in relation to the company's position and prospects. This doesn't mean that the company couldn't sink a drill hole which would hit another Noranda.

The company is coming into production on a property in the Sudbury Basin of Ontario which was in fact mined around the late 1920's, but work was suspended. It remained in that condition until the Ventures organization decided to take another shot at it in the light of improvement in metal prices and metallurgy during the interval. This fresh effort is now coming to fruition and production should be attained in August of this year.

Production will start with ore from the Vermillion mine at 1,000 tons daily, to which will be added ore extracted in preparation of the Errington mine for sub-level stoping amounting to some 300 tons daily.

When the Errington is prepared for mining the tonnage milled will be worked up to 3,000 tons per day as metal prices and the marketing of production permit.

Sale of zinc production has been contracted to Matthieson & Hegeler at LaSalle, Illinois. Sale of copper-lead concentrate is being negotiated.

Ore reserves at the end of 1956 were

Your Son's Friends

"Every man is like the company he is wont to keep," wrote Euripides, and the passage of the centuries has amply proved the wisdom of his statement. Your son needs and deserves good companions in his boyhood; first, because their influence will help to mould his character; and secondly, because the staunch friendships planted in such healthy soil will grow and flourish during the years of his maturity.

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CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1957, payable in Canadian funds on August 1, 1957, to shareholders of record at 3.30 p.m. on June 21, 1957.

By order of the Board.

T. F. TURNER,
Secretary.

Montreal, June 10, 1957.

in Toronto – the
PARK PLAZA
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Advertisers have found the one key that opens two doors to successful sales . . . the door to Canada's finest homes and the door to the men of decision in *industry, commerce* and *finance*.

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for your business?

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last year we required additional funds
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Previous to that we needed
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Securities who raised
the money through the
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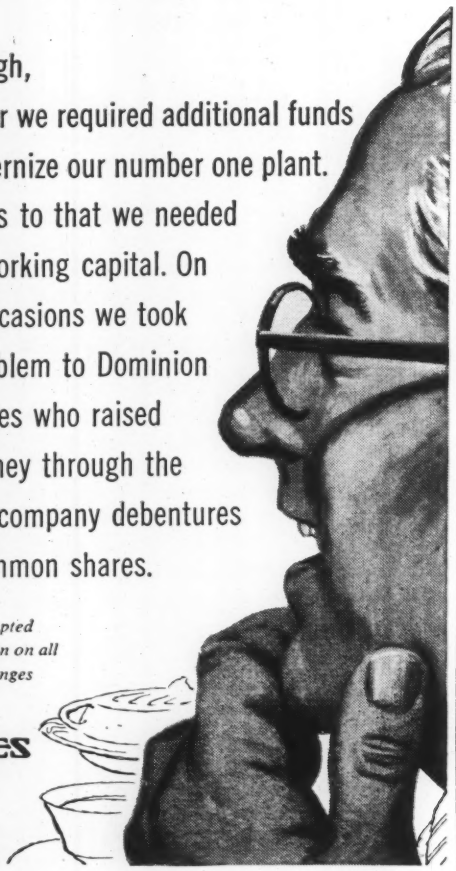

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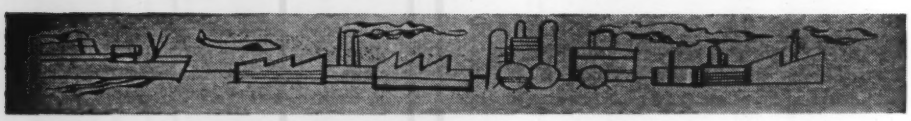

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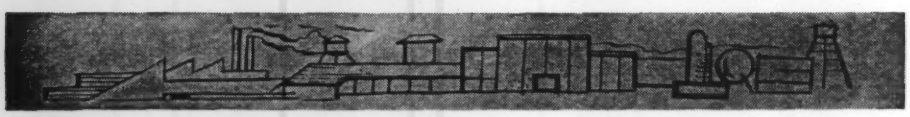

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estimated at 17,810,256 tons. Grade stands at 1.1 per cent copper, 1.06 per cent lead, 3.92 per cent zinc, .022 oz. gold and 1.58 ozs. silver.

Although metal prices have declined considerably since the company made its plans to come into production, it can be presumed that the considered judgment of its officials is that operation will prove economic. There is always the hope that the company will improve its ore position, grab the "brass ring" as it were, and that metal prices will improve.

Ventures officials have made a contribution to Canadian mining in their persistence in bringing this property back to the ranks of the producers. It is to be hoped their enterprise will be rewarded.

In Brief

How are prospects for Molybdenite Corp.?—K.C., Montreal.

Earnings look better for 1957 owing to temporary reduction of output at the world's largest mine of this type.

When will Algoma Steel split its stock?—M.H., Ottawa.

The split should be made around midyear.

What is Pickle Crow doing?—S.N., Vancouver.,

Still winning gold from its Patricia mine, and looking for copper in the Coppermine River area of the Northwest Territories.

Any hope for McWatters?—O.B., Quebec City.

Has a 50% interest in property in the Moak-Mystery Lake area. While there's life there's hope.

How is Forty Four Mines looking?—J.J., Chatham, Ont.

Lost money in 1956 but has hopes based on the migration into it of the orebodies of the adjoining San Antonio, from whose workings Forty Four is operated.

What's the status of Nesbitt Labine?—P.M., North Bay, Ont.

Work on Nesbitt's uranium bets in the Gunnar area is awaiting results of the last-mentioned at depth. Meanwhile Nesbitt is active in exploration in Manitoba.

Any hope for improvement in American Nepheline?—M.W., Vancouver.

The situation doesn't look too bad, with immediate improvement dependent on maintenance of sales tonnage and a lessening of the discount of U.S. funds.

How is Nickel Lake Mines doing?—A.B., Cornwall, Ont.

No better; still idle.

Any chance of a dividend on Yale Lead & Zinc? — D. K., Winnipeg.

Chances are remote in view of the price of metals.

Who's Who in Business

Robert Hull

Job Made to Design

His career was due to a strange twist of fate. Now President of Cities Service, he is boss of a $35 million expansion program.

ONE YEAR AGO last month a six man team including a marketing expert, an engineer and a production specialist came to Toronto from the head office of Cities Service Petroleum Co. Inc. in New York. Their task was an important one: to investigate the Canadian market and determine whether the potential was worth a giant expansion program.

Eight months later the survey team returned to New York with a glowing report: (1) Canada's gasoline demand had shown an increase of 14% during the last five years compared with a 6% rise in the U.S., (2) household demand (for fuel oil) was just as promising, (3) the rate of demand for petroleum products in Canada was running approximately double the rate of U.S. demand.

When Robert Hull, head of the team and marketing co-ordinator for Cities Service, recommended an expansion program which included the construction of a refinery of 20,000 barrels a day capacity, and the immediate construction of 275 more service stations in Ontario and western Quebec, the Board of Directors passed the plan with little hesitation. They also did something else — appointed 56-year-old Hull as president of Cities Service Petroleum Co. Ltd. with full control of the $35 million program.

Most associates weren't surprised by the appointment. During the 34 years he has been with Cities Service Hull has skipped through 12 positions since he joined the company as a salesman in 1923. As one friend commented, "Hull's career has been just like our octane ratings—always going up".

Hull regards his appointment as slightly ironical—"*I* devised the plan, *I* studied the market, and *I* recommended the expansion, so you see, I have only *myself* to blame if anything goes wrong. But I am very grateful that the company had the confidence in me."

That confidence was undoubtedly aided by a personality which smacks of discipline, but radiates a warm glow of sincerity. During business hours he works behind a 10 foot wide blond oak desk in his large office on Toronto's University Avenue. Tall (6'1") and slim, he has a deep voice and a slow, precise delivery. His efficiency is well-known in the company's offices. During the seven months he has been in Toronto, he has centralized the various offices in one building and devised a plan whereby only six employees from the staff of 150 people come in direct contact with him.

Robert Hull was born and brought up in Adams, Massachusetts, son of a high school principal and lawyer who later became a Republican member of the House of Representatives in Massachusetts and Speaker of the House for five years.

His career in engineering occurred "purely by happenstance". As he explains it, "I didn't have enough money to go to college, and I was looking for a job when my older brother was called into the service. At that time he was going to the Massachusetts Institute of Technology and had a night job with the Cambridge Gas Co. Before he left he offered me his job, and with the earnings I could attend M.I.T. as well."

Hull took the offer and in a week's time was accepted in M.I.T.'s Engineering Administration course. At the age of 21 he graduated with a B.Sc. He then joined the Crew-Levick Co. (a subsidiary of Cities Service) as a salesman. Two years later he was made local manager of an individual tank station at Hartford, Connecticut. A year later he was moved to Boston as special sales representative and in six months became New England Division Manager for the Crew-Levick Co. After four more rapid promotions he was called to serve on the Petroleum Administration for War (in 1942) as Special Fuels Administrator for New England, a job which he found, "a little political, but very interesting".

In 1944 he was appointed New York division manager for Cities Service which included the states of New York, Pennsylvania, Maryland, New Jersey, and Connecticut. After another promotion which made him Director of Lubricant Sales and a member of the Petroleum Advisory Board, he became Marketing Co-ordinator in 1951, a position he held until being appointed president of the Canadian company.

At present, construction of the refinery at Bronte, Ontario is scheduled to start as soon as the zoning application has been approved, and at least 15 service stations are steadily being constructed. All of this keeps Hull tied to a rugged schedule. In the office at 8:30 every morning, he rarely leaves before 6. He works half a day on Saturday, and frequently is at his desk on Sundays where he "can work in complete solitude".

During leisure hours, in his six-room apartment in the Rosedale district, he enjoys reading the latest mysteries and magazines. "I guess you could say I've got lots of hobbies that I haven't time to fulfill, but I do enjoy my farm in New England where I raise Christmas trees. I have over 50,000 of them and I'm adding 5,000 every year. This summer my wife is going to the farm and I hope to take a few weeks off to go there as well."

Hull is looking forward to the day when Cities Service will be a fully integrated company in Canada with company owned oil wells, refineries and service stations across the country. "We all know we have a long way to go before we accomplish this, but with hard work and foresight I'm sure we will reach the goal."

Your Taxes

by Garfield P. Smith, CA

Government Annuities

I am 61 years of age and for the past several years I have been contributing regularly toward the purchase of a Canadian Government annuity. In your article you stated that the refund of premiums plus interest received in the event of death before maturity is subject to a flat tax of 15%. Does your statement mean that should I die before the age of 65 (the date at which my annuity matures), my beneficiary would receive the accumulated amount to my credit less 15%, or would she receive what would have accumulated to my credit under the original contract less 15%? A few weeks ago I paid an additional amount of $1,000.00 towards my annuity. In the event of my death, would the Government take 15% of that $1,000.00?—F.C.G., Le Pas, Manitoba.

If you have been purchasing an annuity under a plan of your own, without having such plan accepted by the Minister as a Registered Retirement Savings Plan, then your contributions are not deductible under the plan nor are benefits received taxable except to the extent of the amount of interest included in such benefits.

If you now decide to bring your pension plan within the scope of the Registered Retirement Savings Plan, benefits received will be apportioned in the ratio of deductible and non-deductible contributions. The 15% tax will apply to that portion of the refund of premiums plus interest which is deemed to have been purchased by the deductible premiums.

Interest Earned

If money is invested over a period of years at compound interest so that no amount is received until the end of the term when the principal is repaid together with accumulated interest, is it necessary that the interest be reported as income in each year, or after the end of the term when the entire amount of interest is received? Also, must dividends received be reported as income if they are immediately re-invested in shares of the company? —E.F., Smooth Rock Falls, Ont.

If you report your income on a cash basis, which would be the case for example, if you were not operating a business, then no interest is required to be included in income until the year in which it is received.

Cash dividends must be included in income in the year of receipt even though the proceeds are re-invested in shares of the company. On the other hand, where dividends are not paid in cash but rather in the form of a stock dividend, then such dividends may or may not be required to be included in income depending on other circumstances known to the company. On payment of a stock dividend, the shareholders will be advised to what extent if any, such dividends are exempt from taxation. Normally, unless the company has paid a special tax in respect of its undistributed income, stock dividends must be included in income to the extent of the company's undisturbed income on hand. Where the company has paid such tax, then dividends may be issued which are exempt from further tax.

Net Worth Assessments

I have not filed an income tax return for a number of years, as I was not in receipt of sufficient income to require the filing of a return until two years ago. I am now operating a business which is providing me with a good livelihood, and I would like to start filing tax returns again in order to avoid a great deal of trouble later on. What is the best way to deal with this matter, and what information should I give to the taxation division?—R.L., Toronto.

It would be advisable to file income tax returns for the last few years to the extent that you can estimate your income. A covering letter should be enclosed with the returns stating why returns were not filed in prior years. If your returns have been reasonably and honestly prepared, and there is no indication that you were taxable for years prior to those for which you have submitted returns, such returns will in all probability be assessed and you will be on a current basis with the taxation division from then on.

If the Department is of the opinion that your income, as shown by your returns, is understated, you may be required to complete information showing your net worth as of the latest year end, and your net worth at the end of some previous year. Such statement will show various assets owned by you such as cash, bank balance, securities, land, buildings, machinery and so forth. A deduction will then be made from the total of such assets in respect of liabilities such as mortgages, loans and other amounts owing.

In addition to the statements of net worth, you will be required to submit an estimate of your living expenses for each of the years in the period covered by the net worth statements. Such expenses must be broken down over various items such as taxes, insurance, house repairs, mortgage payments, rent, light, heat, water, insurance, medical expenses, food, clothing, automobile expenses, education, purchases of furniture or equipment, entertainment, dometic help, holidays, clubs, trips, donations, income tax payments, and so forth. Naturally, these expenses will not be known exactly, and will of necessity be estimated.

Here again the question of reasonableness will apply. Your living expenses should conform with what obviously appears to be your style of living. If the amounts appear low, you can expect a fairly thorough investigation by the Department to determine the reasonableness of the amounts shown. If the Department is satisfied as to the information submitted, you will be assessed on the amount of income which will have been necessary in order to provide for your living expenses and also your increase in net worth. Normally the statement of net worth will be taken over a period of relatively few years, however, if the information obtained indicates that net worth assessments should be extended back for a further number of years, such assessments will in all likelihood be carried out.

Where returns have been filed for previous years, and the original assessments in respect of such years are more than four years old, those returns will not be re-opened for additional assessment unless there is evidence of misrepresentation or fraud in filing the original return or supplying information in respect of such return.

Ontario Income Tax

When filing a corporation income tax return in Ontario for 1957 can a deduction be made for losses incurred in prior years before the coming into force of the new Ontario Act?—W.R.C., Ottawa.

In writing the Ontario Income Tax Act, steps were taken to ensure that the rules for computing income would be substantially the same as those existing under the Federal Act. The aim has been to have the taxable income be the same for Federal and Provincial purposes for those companies whose incomes were earned entirely in Ontario. In order to more fully realize this goal, income is to be computed as though the Act had been in force in prior years, and unabsorbed losses may be deducted to the same extent that they are deductible in determining taxable income for Federal tax purposes.

Insurance

by William Sclater

Air Crash Experience

I am a businessman and use the airlines frequently, sometimes taking my wife along. I am interested in getting proper insurance coverage. Are the vending machines you see at the airports reliable or should I deal direct with an insurance company?—J.M.K., Oshawa.

I am glad to answer this enquiry because in Canada we have been so impressed with the safety record of our public aviation transport that we may have become a little neglectful of the tragic possibilities of accident inherent in any public transport system.

Perhaps the best example is the actual experience of one of the big accident insurance underwriters in the crash of the Trans-Canada Airlines flight, with 62 passengers aboard, out of Vancouver last December. The wreckage was discovered in a mountainous area of B.C. a few weeks ago.

Claims from this accident must by now be well in excess of a million dollars and they will take a long time to settle. From the strictly aviation accident insurance coverage, here is the experience of the Continental Casualty Company, one of the several big insurers concerned. It is interesting to note that SATURDAY NIGHT published a series of articles on aviation accident coverage, drawn from the experience files of this company just prior to the tragedy.

The first policyholder claim received was that of a U.S. woman passenger. She had purchased $25,000 worth of aviation accident death-benefit coverage from an airport vending machine, at a cost of about $2.

Next were two Canadian business executives whose company had a group travel accident policy with Continental. They were insured for $50,000 each for death benefit. A business executive from a Calgary company, similarly insured for $50,000 under a company group policy was next. Then came two other passengers who were holders of low-cost annual travel accident policies which included death benefits of $5,000 apiece.

It should be remembered that these insured persons were holders of standard policies which included payments for hospital, surgery, medicines, weekly off-work cash payments and other incidentals in addition to death benefits. The sum of these particular policies came to $185,000 for this one insurer on this one flight.

But that wasn't all. The Shriner All-Star football game was at the Coast and three All-Star players were returning home on the flight. With foresight and wisdom the Shriner organization had taken out adequate insurance protection on the players. The protection is known as portal to portal since it started from the moment they left their homes until the moment they returned to them. Actually the coverage period was for four weeks and the real purpose of the insurance was to protect the players in the event of injury sustained during the game or practice games. There was an accidental death benefit of $40,000 apiece on each player.

The Continental Casualty Company's payments to its insured clients on the one flight came to $185,000 plus the $120,000 on the Sports Accident and Travel policy for a total of $305,000. And this is only part of the story. The other big insurers involved are probably paying out several times that amount on policies owned by individuals on the plane, quite apart from other forms of insurance effective.

You can make a choice of the type of coverage best suited to you, either through an individual or a company group plan which your own insurance agent can readily arrange with any of the many insurance companies in this field. Your wife can take out an individual travel accident policy that will protect her in any public conveyance or she can use the vending machines at the airports. These are completely reliable. There are many excellent and reasonably inexpensive policies available through your agent and the companies in this field.

The Growth in Life

Are life insurance companies completely reliable today? What surety is there behind their policies? Please list for me the names of some of the larger ones. H.R., Toronto.

I find your question surprising because I would be hard put to think of anything more reliable than the life insurance companies doing business in Canada today. I checked SATURDAY NIGHT's files to find if a question like this had been asked before. It had—back in 1932. Here's what I found out.

At Dec. 31, 1931 the total assets of Canadian Life Insurance companies amounted to $1,611,000,000 and the total life insurance in force amounted to $7,559,000,000.

The ten leading Canadian companies, as of Dec. 31, 1931, listed with their total assets, were:

Sun Life	$624,804,455
Canada Life	204,778,372
Great West Life	135,571,241
Mutual Life	125,848,129
Manufacturers Life	115,527,218
Confederation Life	88,221,418
London Life	72,221,418
Imperial Life	66,147,753
North American Life	46,855,331
Dominion Life	25,470,427

That's how the life insurance companies of Canada, the first ten of them, stood during the greatest depression in our history.

Where are these companies today? I checked up on that too and here's the position for Dec. 31, 1955, the latest complete year for statistics and 15 years from the ill-fated thirties. Here's the list.

Sun Life	$1,948,000,000
Manufacturers Life	653,000,000
Great West Life	549,000,000
London Life	523,000,000
Canada Life	515,000,000
Mutual Life	487,000,000
Confederation Life	338,000,000
Crown Life	219,000,000
North American Life	218,500,000
Imperial Life	217,500,000
Dominion Life	146,000,000

There is only one change in the position of the companies. Crown Life is now in the first ten, putting Dominion Life in the 11th place. There is a tremendous growth in the total assets in every case, the increase being almost phenomenal.

Total life insurance in force at Dec. 31, 1955 amounted to $25,294,000,000 and total assets of Canadian life insurance companies amounted to $6,278,000,000. From that summary of improvement, after weathering the greatest depression in our history and a war, I think it is a safe assumption that our life insurance companies are completely reliable and that they're here to stay. They are a great factor in the economic life of Canada today through their payments to policyholders and their tremendous investment in our economic development.

Records

by William Krehm

Great Artists At Their Best — Vol. 4: Harold Bauer, Emanuel Feuermann, Ignace Jan Paderewski, William Primrose, Josef Lhevinne, Erica Morini, Leonard Bernstein, Marcel Granjany, Luboshutz and Nemenoff. RCA *Camden CAL* 351.

THIS POT-POURRI of great performers—dead and alive — is very revealing. Most of the performances, in spite of the sonic defects of the original recordings, are memorable in themselves. But in addition they point up a subtle change that has crept into the relationship of the artist and the music played, and lessened the imprint of the interpreter's personality. In part this has been due to a greater reverence for the composer, but undoubtedly it can also be traced to the standardization that is one of the earmarks of our age. Josef Lhevinne treats Strauss's Blue Danube as a private irrigation ditch and splashes about most spectacularly in it. Harold Bauer does a Liszt Etude with a memorable and very personal brio. Ignace Paderewski gives us some Couperin with a fawn-like nimbleness, which is not, however, entirely in accord with our present notions of rococo style. All in all, a thoroughly intriguing document.

Dvorak: Slavonic Dances Opus 46 Nos. 1, 2, 3, 5, and 8), Opus 72 (1, 2, 4, 7, 8). The Cleveland Orchestra under George Szell. *LC* 3322.

An excellent sampling of Dvorak's Slavonic dances. The Slavonic Dances not only brought Dvorak his first fame, but they remain unique gems in the literature of music. Even more than his larger works, they reveal Dvorak as a veritable gusher of seductive melody set in a halo of charm. They are of the limited number of works that hold the ear and heart of the musically uncultured and the connoisseur alike. Szell delivers them with all the necessary tenderness and fire. Recording good.

Byron Janis Plays Chopin —*RCA Victor —LM 2091.*

Chopin's elusive poetry is masterfully captured on this disc. Mr. Janis makes the most of Chopin's great moments without ever stretching a point. Recording good.

Aaron Copland; Appalachian Spring (complete ballet); **Billy the Kid** (Ballet Suite). The Philadelphia Orchestra, Eugene Ormandy, Conductor. *Columbia ML 5157.*

Two well-known ballets of Copland sumptuously played. If you have a little

cow-boy in your home, you might try out *Billy the Kid* on him. He will probably respond as enthusiastically as mine did. Sound good.

Leaves From The Tale Of Pinnochio — Bernard Rogers.

Fantasy Variations on a Theme of Youth — Howard Hanson.

The Bright Land — Harold Triggs. Eastman-Rochester Symphony Orchestra under Howard Hanson with David Burge, Piano. *Mercury — MG* 50114.

Bernard Rogers, an American composer with a great flair for orchestral coloring sets to music some of Pinocchio's immortal adventures. The format is similar to Prokoviev's *Peter and the Wolf*, and though Prokoviev's genius is not readily duplicated, the tale is engagingly unfolded. The Hanson work is a good example of the writing of an American composer who has developed a very personal vein. The Triggs opus is a melodic if distinctly derivative bit of reminiscing about the

composer's Colorado childhood. Recording quality good with the exception of the piano tone.

Rossini-Respighi: La Boutique Fantasque
Walter Piston: The Incredible Flutist
Jacques Ibert: Divertissement. Boston Pops Orchestra under Arthur Fiedler. *RCA Victor LM* — 2084.

Two staple furnishings from music's recreation room done with showmanship by Fiedler. The Piston work is less familiar, and presents one of America's serious composers with his long hair down. Performance and sound good.

Donizetti: Don Pasquale — Opera Buffa in three Acts. Teatro di San Carlo di Napoli under Francesco Molinari-Pradelli *EPIC-SC 6016.*

The pendulum of taste is swinging away from the overstuffed late nineteenth century repertory, and the masterpieces of the earlier Italian masters are coming out of its eclipse. There was a time when critics frowned on Donizetti because the singers in his operas behaved like nightingales rather than like serious dramatic personages. Today we are learning to value Donizetti on his own terms; besides we are coming to find nightingales more congenial company than eagles and buzzards. *Don Pasquale,* Donizetti's comic masterpiece, turns out on this disc to be a brimming kegful of ravishing melody and sprightly fun. The recording was made in Naples, the original home of the *opera buffa,* and the cast includes some voices, like those of Renato Capecchi. Petre Munteanu, and Bruna Rizzoli, that you are likely to hear a lot more of. Recording good.

Liszt: Piano Concerto in E Flat Major; **Grieg:** Piano Concerto. Richard Farrell pianist with Halle Orchestra under George Weldon. *Quality LPC*-14.

Two war-horses mounted by one of Britain's up-and-coming youngster pianists. Mr. Farrell's talent provides a fine unguent for saddle sores: the beautiful lyricism of the Grieg emerges amazingly fresh, and there are moments of sparkle even in the slurpy melodramatics of Liszt. Recording good.

Cromie

CONTINUED FROM PAGE 17

Robert, Jr., the eldest, is happily breeding beef on a Cariboo ranch. Sam, who loved anything with working parts, concentrated on the Sun's mechanical side as if it were an absorbing hobby. Peter, the youngest, dutifully managed the company's job-printing plant (subsequently sold) until he gave up his interest to his brothers and now divides his time between real estate investments and the study of philosophy.

Don's leaning to the newspaper business, with a particular flair for the editorial side, was apparent at an early age. He studied journalism for three years at the University of Washington, where he met his attractive, American-born wife, Marjorie. He served an apprenticeship as cub reporter on the *Sun*, rode the rods through the United States in one depression year on his father's advice that it would give him a liberal education, enrolled briefly in the London University's School of Economics, took a Cook's tour through Russia in 1936 and returned to complete his basic training on the news desk of the Toronto *Star*. He was the *Sun's* managing editor in 1942, seven years after his father's death, when the sale of the paper to the Sifton chain appeared likely. With his brother Sam and the goading of Sports Editor Hal Straight, who subsequently became managing editor, Cromie was able to marshal enough family votes to take over as publisher. He was 26.

Straight, who resigned recently to go into private business, kept the *Sun* effervescing. It was closing the gap between itself and the *Province* at the rate of a thousand subscribers a year when a crippling printers' strike temporarily shut down the Southam paper and gave the *Sun* the margin it never lost.

The front-running position in circulation made little change in the *Sun's* long-time "second-paper look" of aggressive news coverage with the emphasis on local stories, a stable of controversy-hungry columnists and globe-trotting feature writers. Cromie, himself, has occasionally gone out on the world beat. Last year he wrote a series of critical articles from Australia where he described the easy, non-Cromie tempo of life as "a continental slow-down". He has taken a hand in sending other staff members abroad, paved the way last year for a junket made by columnist Elmore Philpott through Red China and Russia. Still, the paper is most often criticized by newspapermen for its emphasis on local coverage. Apart from a man in Ottawa it has no correspondents outside of British Columbia.

While the *Province*, known in Vancouver as "the old lady of Victory Square", picked up her skirts and blossomed with new make-up, new features and a series of contests and bonus give-aways for new subscribers, the *Sun*, matching each offer, held its commanding lead.

As sole occupants now in the afternoon field the paper is not expected to show much of a change in appearance or content. Cromie plans none. "We expect to carry on pretty much as we always have," he says. "Some of our readers call our policies outrageous. Some call them excellent. For ourselves, we just want to print the best newspaper we can and call the shots as we see them. That was the way my father operated 40 years ago and I see no reason for a change. The new arrangement just gives us more assurance and freedom to put out that kind of newspaper. As for the *Province*, we'll naturally continue to scoop them in every department. We'll also continue our superior condescension toward their conservative policies."

Though he disclaims any exact formula, the *Sun* reflects its publisher's idea more than most papers. Cromie is a strong believer in retailing many shades of opinion. He has annoyed some of his news staff by taking a page from them for reprints of other newspaper and magazine viewpoints. He selects many himself in his nocturnal reading. He has a standing order that the occasional heresies of his columnists will be killed only for libel.

Politically Cromie and the *Sun* are Liberals, though both are vociferous critics of the "monopolies" of CBC and TCA. The *Sun* was the first Canadian newspaper to sign a contract with the Newspaper Guild and is notably pro-labor. "They'll be the real power in the capitalist system before another 50 years and maybe sooner," Cromie believes.

As a business man he occasionally ages his more conservative advisors. It was against considerable advice that he successfully engineered a stock-split in 1955 that appreciably raised the value of *Sun* shares. "Don is something less than a financial genius," one of his front office executives puts it, "but he has a rare talent for getting to the heart of an idea when others are walking around it."

Cromie's outside business interests are few, but diverse. They include the ownership of the summit of Grouse Mountain and the chair lift which reaches it—scene of the *Sun's* free ski classes—the Nanaimo radio station CHUB and a thriving paper in Garden Grove, a fast-growing community on the outskirts of Los Angeles. He bought the paper two years ago as a weekly "to see if our own quaint ideas would work outside of Vancouver." The weekly, with a circulation of some 5,000, is now a daily with 12,000.

To any speculation that the merger with the *Province* might lead to an early retirement Cromie gives a characteristic answer. "Why should I?" he asks, "when I can't think of anything I'd rather do."

Equities

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short term liquid investments.

Insurance companies have more latitude, but again, high grade securities and mortgages are the main channels. In the case of securities, corporation bonds often form large parts of their portfolios. Investments in equities, that is common and preferred shares, are a very small part of the total although the law allows such an investment of up to 15% of assets. In effect, the average investment of all insurance companies in Canada in actual common shares is less than 2%. This small percentage is important to remember as it has a decided influence on the sleeping giant.

Fewer restrictions are placed on Trust Companies who perform an important function as custodians for individual estates and pension funds. They are a rapidly growing repository for savings due to the tremendous growth of pension funds in the last few years. Preference for a fair percentage of common shares in portfolios and pension funds is having an important effect on security markets.

We are now at a point where we can attempt to analyze why the giant has been sleeping in the early part of Canada's century. We can perhaps come to some conclusions as to why so much ownership of Canadian companies has flowed across our borders.

In the first place, we have established that caution and prudence in saving and in investment is a national characteristic. In the second place, we have reasoned that because of this, most of our savings go to places of safety in institutions of various kinds. Thirdly we have concluded that these institutions invest in common shares only very limited percentages of their assets. These common shares represent the ownership of any company.

If only small amounts of savings are being invested in common shares which represent the ownership of a company, and if funds are needed in large quantities for development through ownership, there can be only one result. The result is that funds are imported from countries where surplus savings are available, and where people are willing to accept the risk that ownership entails.

There is another rather interesting outcome of the particular nature of Canadian savings. When an Investment Dealer is financing a company in Canada, he must tailor his merchandise to the market where he is selling it and to the types of buyers.

The net result is of course a preponderance of senior securities such as first mortgages bonds, debentures, relatively small amounts of preferred shares and negligible amounts of common shares,

particularly in the "new venture" field.

Canadian laws, too, have their effect in influencing the merchandise of the Investment Dealer. For example, if Bell Telephone issue bonds they may deduct the interest which they pay to the bondholders from their earnings, before taxes are paid to the government. Companies naturally prefer to issue bonds because of this earnings advantage in their favor.

In short, Canadians are bond buyers. They are bond buyers by training and characteristic. They are bond buyers because their savings are so directed by institutions. They are bond buyers because Investment Dealers provide bonds.

Gradually the sleeping giant awakens. He has had some samples of bonds of a different flavor. He has seen an unusual bond of Interprovincial Pipeline that could be converted into common shares of the company. He saw it go up 500% in value as people in other countries who appreciated its worth, acquired it. He has seen a number of such bonds of recent date such as Trans-Canada Pipe Lines and Quebec Natural Gas with common shares attached, that have done some remarkable things in the market.

With each of these, Canadian bond buyers have become better acquainted with common shares and have, of course, realized that the shares were the reason for the price increase in the "unit" bond. It does not take many issues like Trans-Canada Pipe Lines Ltd., which by the sale of unit bonds put almost 28,000 shareholders on its books, to educate Canadians to the advantages of ownership. It is significant that 84% of these shareholders are Canadians. It is also interesting to note that the men most concerned with the company's finance and shareholders, Robert C. Berry, Vice-President and Treasurer and N. John McNeill, Vice-President and Secretary, are Canadians.

We still, however, have a long way to go. Canadians still are, by and large, bond rather than common share buyers. These new types of unit bonds, convertible bonds and bonds with warrants attached give Canadians the opportunity to have their cake and eat it. There is no real solid market built up that would absorb large common stock issues of new companies. There have been a few new companies that have financed in this way, but they have been, to a marked degree, dependent on foreign markets for placement.

The trend is now definitely towards bonds and debentures that carry shares and warrants because of public preference. When companies like B. C. Electric raise over $50,000,000 by debentures with shares attached, we realize that Canadians are rapidly becoming equity conscious.

As the trend continues the market for common shares will broaden and develop. This will be a major step in the direction of larger Canadian participation in the ownership of Canadian companies.

Steel

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planned in mining of iron ore and the flood of U.S. and other foreign companies into the search for new iron deposits in Canada.

Canada's domestic steel industry is very much aware of these recurring complaints. It knows that British Columbia has long felt that the handful of steelmakers in Canada have seen to it that a primary iron and steel industry is not built up on the west coast. Because of this old feeling, BC recently enacted legislation which it hoped would force development of a primary steel industry on the west coast by making iron mining and export a more expensive proposition.

But, undoubtedly there are many reasons why Canada's steel industry has been unable to meet the demand for steel products. Basically, there is the problem of development of sufficient markets to support plants making a particular steel product.

Steelmakers say they cannot afford to build plants to turn out certain heavy types of structural steel and wide sheets. The market, they maintain, is too small.

On the other hand, there are signs that some of these arguments may be weak. In recent years, foreign money has invaded the steel industry. For example, an electric steel plant has been built on the west coast—a giant pipe mill has just been completed at Sault Ste. Marie. Sources of the money: Britain and Germany respectively.

More of this can happen unless Canada moves quickly. And the few major steel firms in Canada know about this possibility.

Canadian steelmakers have just recently seen the recommendations of the Tariff Board. The report proposed, among other things, new tariff protection against imports of casings and tubing for the oil and gas industry. Such imports are now duty free. The board also recommended the elimination of the 99 per cent duty drawback on steel imported for such uses as auto stampings, axes, skates, heating equipment, electrical equipment and saw blades.

There were also other concessions in the form of tariff drawbacks, the return of all or part of the tariff paid by the importer when he purchases the steel for a specific purpose covered by the regulations.

The report itself is complex and technical and will require some time to be thoroughly understood. But two points stand out: First, the steel industry did not get as much as it asked for; second, the investigation was ordered by the Liberal administration and the report's future is a matter of speculation in the light of the current political situation.

Hearings for the report were held last year. Steelmakers sought protection from imports on many iron and steel products. Their basic argument was that other nations could undersell them and thus it didn't pay to build the additional plant to turn out products currently imported.

However, on the other side of the fence were many steel users who argued that Canadian steelmakers wouldn't and couldn't fill their needs so why raise costs of their essential materials.

Steelmakers are aware of this attitude among users.

The Tariff Board decisions will set the pattern for the immediate program of growth by the steel industry. And it will map out the pattern for foreign steel firms who find Canada a ready and rich market.

But, there remains several basic needs of the Canadian economy which the steel industry must consider.

The St. Lawrence Seaway, new and more scattered iron finds, coal deposits in the west and new technology likely will make more economic new primary iron and steel plants outside present concentrations of plants.

For example, three of the big four in the industry are concentrated in Ontario —Algoma Steel at Sault Ste. Marie, Dominion Foundries, Steel of Canada at Hamilton. Dominion Steel and Coal is in Nova Scotia.

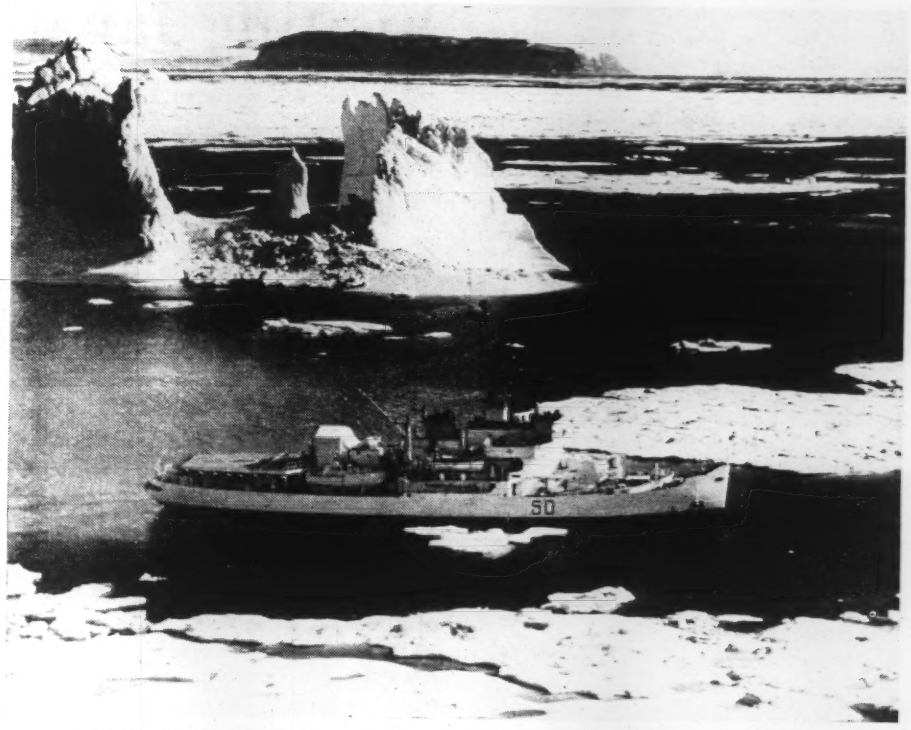
Why can't there be steelmaking facilities in other parts of the country on a larger scale? This may soon be answered for already there is talk that major German firms are thinking about more steel plants on the Prairies. And there is talk of steelmaking facilities at the new iron finds in Ungava.

If more companies can become major parts of so vital an industry as iron and steel, it would be healthy for the Canadian economy. Competition would mean better use of natural resources and even a possible major push into export markets.

Meanwhile the Japanese are talking about expanding their exports to Canada and U.S. and Europe's exporters will fight hard to build up bigger markets here.

These outside businessmen look at Canada this way. In 1956, they say, Canada imported some 2 million tons of steel while turning out from its own mills something over 5 million tons. They guess at a Canadian steel production of almost 12 million tons by 1980, but this still won't meet all Canada's needs. By that time, imports (although a smaller proportion of the total) will likely run to about 3 million tons — still a sizeable market.

Canada's steel industry is at a crossroads. Its future is being mapped out now and whether so basic an industry continues to be dominated by a relatively-few domestic companies and large amounts of imports should be answered soon.



HMCS "Labrador" is used by Navy in exploring navigation routes.

Breaking the Economic Ice

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while the *N. B. McLean* stands by at Quebec during the winter, keeping an eye on potential St. Lawrence river ice jams and theoretically available for Gulf emergencies and duties.

The *d'Iberville* and the *Earnest Lapointe* this year handled the annual chore of opening up the St. Lawrence river channel from Quebec to Montreal, an operation with the two-fold view of speeding ocean navigation in the spring to Montreal and intermediate ports and reducing the risk of flooding around Montreal and elsewhere.

Both vessels were occupied from January until well into March before they crunched into Montreal harbor, forced to backwater constantly to keep the river flowing freely astern. The new *Montcalm* isn't expected, because of its size, to appreciably lighten the load.

The Arctic and northland development has imposed a brisk summer schedule on the fleet.

In a crash program, the *d'Iberville*, *Saurel* and *N. B. McLean* rode herd on a 59-ship armada ferrying supplies to the construction marshalling areas and drew credit for extending the Hudson Bay shipping season six weeks past the Oct. 15 date when insurance regulations normally call a halt to navigation.

The program's tag ends, plus re-supply and the normal, growing re-provisioning of weather stations and isolated Arctic settlements, will go on again this summer.

An example of the increased scope in Arctic navigation today lies in the 96-ship American task force going into the central Arctic this summer. One purpose is to finish a supply run to DEW line points and weather stations interrupted last year by ice. The other objective is to locate a "practical Northwest passage" in the central Arctic.

Canada hasn't been idle in Arctic navigation. Icebreakers have penetrated as far as Alert, about 400 miles from the geographic North Pole and located atop the Ellesmere Islands' group west of Greenland. Last summer, as will happen again this year, thousands of tons of supplies were sea-lifted in the brief season to Resolute Bay, 1,700 miles north of Winnipeg and 800 miles inside the Arctic circle on Cornwallis Island. More than 5,000 tons were flown from there by RCAF freighters to distant weather satellites, an operation whose high cost is indicated by the fact that on some trips the flying boxcars carried more fuel for themselves than in diesel oil payload.

Down south, Quebec's North Shore considers itself in line for any spare icebreakers that may appear. Isolated by rail and road, the rugged area stretching from the Saguenay to the Labrador border is abustle with developments in newsprint, pulp, hydro-electric power, titanium, iron ore and aluminum. The RCN patrol vessel *Labrador* made a fact-finding cruise earlier this year on 12-month navigation prospects.

The town of Baie Comeau, about 200 miles past Quebec city, is an example of the type of settlement which thinks it has a strong case for federal assistance in the matter, and has petitioned accordingly.

"The state of hibernation belongs to the past," President Arthur A. Schmon of Quebec North Shore Paper Company there has said. He estimates North Shore investment, present and prospective, at $1,000,000,000, which "for want of icebreaker service (must) remain idle for four months of a year." An icebreaker costing $2,500,000, plus plane service to spot ice conditions, would in his view be "a small price for a country like Canada to pay when it will lead to further industrial development."

Mr. Schmon's company, a subsidiary of the Chicago *Tribune*, created Gulf navigation history a year ago when the freighter *Elin Hope* made laden departures for New York in February. Consequently, the company has ordered on a long-term charter a Scandinavian-designed newsprint freighter, with reinforced bow and costing between $3,000,000 and $5,000,000 to cope with the gulf's pack ice conditions during the winter.

Stockpiling costs money in equipment and tied-up output, says Mr. Schmon. Besides newsprint, by 1959 there will be 90,000 tons of aluminum ingot rolling annually from the new Canadian British Aluminium plant at Baie Comeau with stepped-up output scheduled after that. A dock capable of handling three 10,000-ton freighters at once has been built to meet the traffic of more than 100,000 tons.

Shelter Bay, 125 miles north, is one site of the multi-million-dollar United States Steel project which will involve harbor facilities and a processing plant fed by iron ore mines being developed inland. Seven Islands, the salt-water terminal for the Iron Ore Company of Canada's Knob Lake workings, exported 12,000,000 tons of iron ore last year and anticipates 13,000,000 this year. Farther along at Havre St. Pierre, titanium production is being expanded.

Wintertime navigation in the gulf has been undertaken since 1927 by small, sturdy coasters of Clarke Steamship Company. But transport department officials say that operations with larger vessels isn't a cut-and-dried procedure because of the variability of ice conditions, which change with the severity of the winter and the direction of the wind. And that, say the people who think it can be done, is where more icebreakers come in.

Regardless of what may be felt necessary in the next year or two about more breakers to augment Canada's fleet of supply ships, patrol and survey craft, one thing seems clear. Russia, with its long lead in polar affairs, probably will have its promised nuclear-powered icebreaker by the time Canada's only scheduled addition is off the ways.

New Policy

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the one hand and member NATO states on the other, to leave well enough alone. Yet one should not forget that Mr. Macmillan did not hesitate to revise the scale of British commitments to NATO, for technical and economic reasons, and that precedent may be employed by a Conservative government to justify a re-examination of the Canadian position.

In the United Nations, Conservative delegates probably will find a far weightier Canadian reputation than they could have imagined without direct United Nations experience. Pride and momentum as well as the practical need of many states for Canadian brokerage and bridge-building is likely to create a framework of Conservative United Nations policy not seriously dissimilar from the Canadian course so far. It is possible, however, that a Conservative government might be more "white - Commonwealth" minded than its predecessor. That would mean a somewhat less deferential view toward India, for example, whenever so-called "colonial issues" arise to jar the equilibrium of the Assembly.

What of Conservative attitudes towards the United States? To the extent that loose generalizations about party policies have any meaning whatever—particularly when party statements themselves are not always very clear or consistent—there seems to be some justification for the impression that the Conservatives are likely to view with more jaundiced detachment the growing assimilation of Canadian-United States interests and the complexity of our relations that now result from this process. Remarks made in recent months about United States investments in Canada may lead to some proposals that could place a heavier onus on United States principals seeking federal charters, or obtaining control of federally incorporated companies, to have them include a higher proportion of Canadian directors, management and equity shareholders than often is the case today. The legal problems here may not be too easy to solve, but the position is worth looking into and even the Liberals, as well as the Gordon Commission, were not unaware of the situation.

But there are deeper issues that affect the relations of Canada and the United States. On other occasions I have tried to say that the facts of United States-Canadian relations must be viewed in the perspective of two largely similar peoples sharing and jointly managing a common continent, its resources and its defence. We are only at the beginning of that process of developing the machinery of joint management — boundary waters, Arctic defence, high seas fisheries, hydro-electric programs and the Seaway system. We are on the edge of having to view anew the mineral, gas, oil and lumber resources of Canada as a great continental reserve for the massive industrial machine to the south of us.

How far this view of our resources will lead to joint public schemes or to direct private arrangements, or mixed private and public, surely will emerge from the next decade of thinking about these pressing questions. Whether the Conservatives have anything novel to offer here or only ready minds willing to examine great issues without the rigidity of old patterns of thought, it is difficult to forecast. But, certainly, the Columbia and the Yukon Rivers, the Seaway, the shipment of natural gas and oil from Alberta to American markets, the Arctic and the Continental shelf, the general character of United States-Canadian trade—where our huge U.S. deficits on current account are made up only by the luck of heavy U.S. capital investment—all of these will need good brains, nationalist in their negotiating caution, but flexible in their invention of appropriate solutions.

Finally, it would be irresponsible for any analysis to omit the contribution of the Liberal Party in recent years, speaking through Mr. St. Laurent and Mr. Pearson, to the evolution of Canadian status and power in the world today. Everywhere the rank of Canada stands higher in councils that matter than anyone could have imagined a generation ago. And while we sometimes tend to exaggerate the Commonwealth - North American brokerage role we play, it is one that we do play, and play more than well. As Mr. Pearson leaves office, it should be with the rounded thanks of a country that is the greater in its own eyes because the world has seen it in part through his portrait.

Yet a new government always is an opportunity. Mr. Diefenbaker has shown himself to be deeply sensitive to the scope and character of Canadian interests abroad and his colleagues have been clearly sympathetic to the main obligations we have undertaken. Indeed it is possible that under Mr. Diefenbaker we shall have a heightened Canadian approach to the role of international law in inter-state disputes, more than has been the case in recent years. New ideas are always welcome.

Fresh energies may stimulate the old professional hands in the public service to new levels of creativeness. The Canadian role in world affairs will not suffer from a Conservative government that yields with pleasure and vigor to the attractions of overseas responsibility. No party has an entire monopoly on brains or imagination and the Conservatives are likely to find many chances now to stretch minds that long have flexed themselves in the Opposition so as to be ready now for the burdens of action.

Visiting Japan

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The fare from Toronto to Tokyo is the same, whether you go via Vancouver or San Francisco. You can thus go via Vancouver and return via Hawaii and California. The fare by tourist class is $1,076 (return) from Toronto to Tokyo, while the same trip by first class is $1,444. A return trip to Europe costs approximately $600-$700, tourist class. For another $400, you can see the Rockies, Vancouver, Alaska, Tokyo, Honolulu, Southern California and Chicago. If you really love travel, for $1,400.00 tourist class fare, you can visit Europe first and then head for the East and make it an "Around the World in Sixty Days" of your own.

For persons who prefer travel by ship, the return fare from Vancouver by Nippon Yusen Kaisha (N.Y.K.) Lines, is $600 tourist, or $850 first class. American President Lines with their luxurious passenger ships take you via Hawaii to Japan from San Francisco for $630 tourist, or $1,000 first class.

In Japan, for the average tourist (two in a party), a conducted tour can be arranged for $15 to $30 a day. For example, there is a twenty-one day tour visiting Kobe, Southern Japan, Hiroshima, Kyoto, Nara, Hokone, Tokyo and Nikko. This rate includes: railway travel, local steamer travel, domestic air travel (all first class), hotels and meals (Western food, upon request), sightseeing and excursions, transfer of passengers and baggage, fees and gratuities, and English-speaking guides. This rate is less in standard or popular tours or when the party is made up of more people.

Many international gatherings and conferences have been held in Japan, and more are scheduled. This Fall, the Canada Cup Golf Tournament will be held there.

Kyoto beauties enjoy temple blossoms.

Music

by Hugh Thomson

Britten at Stratford

BIG NEWS of the Stratford Festival this year is that Benjamin Britten's eighth opera, *The Turn of the Screw*, based on Henry James's short story of the same title, will receive its North American première there this summer. It is to be conducted by the composer, who will bring along the English Opera Group which gave the world première of it at Venice in September of 1954.

The first and most successful of Britten's operas was *Peter Grimes* (1945) which Canadians have heard in a CBC coast-to-coast broadcast conducted by Geoffrey Waddington. Seven operas have since come from the fertile pen of Britten, but perhaps none so strong, musically and dramatically, as *The Turn of the Screw*. Two modern operas come to mind in seeking comparisons: Debussy's *Pelleas et Melisande* and Alban Berg's *Wozzeck*. "Britten's 8th" resembles Pelleas in its preponderantly light scoring and many scenes of a dream-like nature. Like *Pelleas* and *Wozzeck*, moreover, *The Turn of the Screw* wastes no time unfolding its musical drama swiftly and with economy of means.

Britten has given it out that he wrote much of the original sketches for his *Peter Grimes*, now translated into eight different languages, while giving concerts in air-raid shelters and service hospitals during the Nazi bombardments of London; and so it is safe to assume *The Turn of the Screw* was dashed off rapidly in its initial stages, then polished and re-polished until the composer was satisfied nothing was extraneous and no enhancing effect omitted. But the pruning in no way destroyed its spontaneity and the total effect of things transpiring with vivid immediacy. Many traditional operas unfold quite an episodic narrative: *The Turn of the Screw* picks you up and carries you along with it through 16 scenes in two acts to the bitter end.

It is expected there will be a run on the public libraries and book shops this summer for anthologies of short stories containing James's story by those about to attend the Stratford performances. Let me suggest, however, the opera is sung in English and the adaptation is, in fact, a new "book." The excellent libretto is by Myfanwy Piper. You will recall James's story was in diary form; it was up to the librettist, therefore, to create all dialogue. Her main task, as I see it, was to provide clear-cut staging while preserving the elusive, imaginative spirit of the drama; and this, I feel, she has achieved most adroitly.

Those who were moved by the highly evocative "sea interludes" for orchestra in Britten's *Peter Grimes*, will be pleased

Benjamin Britten: Will conduct.

to learn the composer has contrived strongly picturesque orchestral interludes with which he binds together the action in *The Turn of the Screw* and produces gradually mounting tension. The device he employs is a set of 15 variations played by the orchestra between the 16 scenes. The germinal theme which is played at the outset is a regular alternation of fourths and minor thirds. After its statement by the orchestra you get the variations of it threading through the drama, each swiftly setting the stage for what is to follow —such as interludes painting a golden sunset scene, or night falling with sinister forebodings because a ghost is about to appear.

The opera is based on a central conflict: a young governess, sent to take charge of two apparently sweet and innocent orphans, Miles and Flora, discovers they are being corrupted by the spirits of their former governess and houseman. The nature of this corruption is not revealed, nor is it in James's story. In fact the author is at pains to point out it should remain indefinite. "Make him (the reader)," states James, "think the evil, make him think it for himself, and you are released from weak specifications."

James's story was told through the governess' diary, and so hers is the pivotal role in the opera. The boy, Miles, is the elder, and the influence of the dead houseman on him is stronger than her dead predecessor's on the little girl, Flora. The male ghost is, therefore, the arch-villain of the piece. The two children, however, are not unwilling minions. They have some of the vein of original sin in them and are willingly "possessed". In traditional opera you have this conflict of good and evil clearly marked in something like the Faust legend.

Another fact emerges from a study of this modern opera, and that is Britten makes the most of the English tongue, with its short vowel-sounds and clipped consonants. Conservatives feel the Italian language with its open vowel-sounds is more musical. That may be, but Britten does much in *The Turn of the Screw*, perhaps more than in any of his other operas, to express the genius of English in operatic terms. He has been fortunate, too, in having two singers, Peter Pears and Joan Cross, to create principal roles in all his operas, two artists blessed with clearest diction and sympathy with his musical idiom; and both are coming to Canada's Stratford Festival.

Peter Pears, who is the male ghost (if ghosts possess a sex), opens the opera with a prologue in which he recites the terms under which the new governess is to assume her duties at Bly, the country estate left to the orphans, Miles and Flora. Most important is the stipulation that she must never trouble the children's guardian with a letter; she is to be solely responsible for them and their welfare.

After the prologue the scene shifts to the governess enroute to Bly, filled with apprehensions that are natural—certainly not supernatural! When she arrives she is so taken with everything and everybody, her first fears are laid to rest. But not for long. She is taking a stroll about the grounds and suddenly spies the unsubstantial figure of a man in the tower. The same apparition stares at her through a window later on. She describes the mysterious stranger to the housekeeper who instantly identifies him as the dead houseman, Quint, who will be impersonated by Peter Pears. Soon the governess learns Quint's ghost is haunting Miles, and that the spirit of the former governess, Miss Jessel, is haunting Flora. In the final scene of the first act, the governess and housekeeper find the two children out on the grounds holding secret communion with their evil spirits.

Editorials

Report on Hungary

THE VALUE of the UN official report on the Hungarian uprising is that it provides a permanent, dispassionate and (as far as possible) impartial record of Russian treatment of a rebellious slave state. It is also, of course, a permanent record of the free world's shame and the UN's impotence when faced by the brutal defiance of a great power.

It is possible that the blunt condemnation of their treatment of Hungary may persuade the Russians to use gentler means in future of subduing their colonial possessions. It would not be a good bet, however. If the Russians learnt any lesson from the Hungarian blood-bath, it was that such naked brutality could enrage and sicken even Communists in other countries. An early repetition of the Hungarian tragedy could destroy Communist parties already badly split by last November's demonstration of Soviet imperialism. Diplomatically, it is doubtful if the Russians suffered much; diplomats have notoriously strong stomachs and pliable consciences. The big loss to the Soviet Union was the faith of hundreds of thousands of erstwhile blindly obedient followers in the free nations.

There is no point in harping again on the impotence of the UN. But the impotence can be reduced if the contents of the UN report can be communicated to the people of the neutral nations, particularly in Asia. If this can be done, the Russians will suffer a serious setback. It would be the worst kind of wishful thinking, however, simply to hope that the report will somehow be read or discussed by these people. They must be told about it.

Out with the Old

LIBERAL spokesmen would have us believe that the party is united behind Louis St. Laurent. Grit candidates who survived the electoral onslaught on June 10, they say, want the Old Man to lead them first in opposition and then in the general election they hope and expect will take place in the Fall of 1958.

Now that is all very sweet and sentimental, but it is not playing fair with the party or the country. Nor is it political realism — as some hard-headed Liberal ex-ministers realize. The realists will probably be able to convince most of the others, once the shock of the June 10 results wears off, that the party needs not only a new leader but a re-discovery of its reason for being.

The voters repudiated the St. Laurent ministry. They rebuked his Government. They threw out of Parliament nine of his ministers, among them the most powerful, arrogant and complacent. As plainly as possible, they were telling the Liberals: "Get rid of the old crowd; get new ideas and new faces."

What the Liberal party needs now is a searching examination of its doctrine—the doctrine that most Liberals (with the occasional inspired exception, such as Senator C. G. Power) have left forgotten, gathering dust, for a decade. What Liberalism stands for now in Canada nobody knows. The speeches of Mr. St. Laurent offer no clue. But Lester Pearson and Paul Martin can re-state Liberal principles in such fashion that there can be no doubt what is in the party's mind and soul. They should be given the opportunity for the statement and the fresh leadership. The voters cleared away a lot of Liberal deadwood. It would be a pity if it were dragged back.

Softness and Killers

A MAN drank over a dozen ounces of liquor the other day in a southern Ontario city. Then he drove his car and ran over a pedestrian, who died. In court, he was found innocent of blame. Although a blood test showed 2.3 parts of alcohol per thousand, a policeman and a doctor testified that he "did not appear" to be drunk, and the magistrate could not convict because while (as he said) "it seems incredible that a man with 2.3 parts alcohol would not be impaired to some degree . . . until Parliament decides the figure at which all men are impaired, it would be dangerous for me to convict without corroborating evidence".

This is only one of the ways by which potential or actual killers are permitted to go on making a murderers' paradise of the highways.

It must be obvious to all the law-makers and law-enforcers that neither penalties nor means of enforcement are severe enough. Some little good may be done by education programs, but unfortunately these are heeded only by the drivers who are already converted to the need for courtesy and safety on the roads. Education does not touch the idiots and the boors who are the real menace. These people can only be reached by the toughest sort of threat and punishment.

The police do what they can; there just are not enough policemen. The fault lies with the law and the courts. Both are much too soft with offenders. Indeed, in Ontario, where most of the accidents and deaths occur, the softness seems to be a disease that cannot be rooted out.

ANSWER TO PUZZLER

2 blouses at 43¢ on Thursday.

Too Much for One Man

IT WOULD be distinctly unfair to criticize Mr. Diefenbaker's cabinet before it has had a chance to operate as a legislative and administrative body. However, Mr. Diefenbaker himself made a bad mistake when he kept for himself the external affairs portfolio.

The Prime Minister of Canada has enough to do—particularly as the leader of a party which has been out of office for more than twenty years—without trying to take on one of the heaviest jobs in the Government. Even a man who has shown himself to be as energetic as Mr. Diefenbaker has must neglect one set of duties for the other, and they are too important for any sort of neglect.

The only way by which the two jobs could be combined would be to cut Canada's commitments in foreign affairs so severely as to virtually move her into a state of isolationism—and it is much too late for that, even if it were a good idea, which it is not.

Mr. Diefenbaker may have reconsidered by this time, and given the Ministry of External Affairs to a full-time minister. We hope he has, but if not, he must certainly do so without delay. If he doesn't, the country will suffer.

Good Riddance

IF TV surveys are to be trusted, boxing and wrestling no longer rate as anything better than mildly popular entertainment in Canadian and American homes. This is possibly the happiest fact produced by the surveys since the rating systems were introduced. It is even more pleasant to think about when one listens to the wails of the promoters of professional fights that television is killing the "sport". If TV manages to destroy professional boxing it will justify its own existence.

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